

TRINITY VALLEY COMMUNITY COLLEGE
ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED AUGUST 31, 2011

TRINITY VALLEY COMMUNITY COLLEGE
Annual Financial Report for
the Year Ended August 31, 2011

Table of Contents

	<u>Page</u>	<u>Exhibit/ Graphs/ Schedule</u>
Organizational Data.....	1	
Independent Auditor's Opinion on the Basic Financial Statements and Supplementary Information -Single Audit - Governmental Entity.....	2-3	
Management's Discussion and Analysis.....	4-12	
EXHIBITS AND NOTES:		
Statement of Net Assets.....	13	Exhibit 1
Affiliated Organization - Statement of Net Assets.....	14	
Statement of Revenues, Expenses, & Changes in Net Assets.....	15	Exhibit 2
Affiliated Organization - Statement of Activities.....	16	
Statement of Cash Flows.....	17-18	Exhibit 3
Notes to the Financial Statements.....	19-32	
SCHEDULES:		
Schedule of Operating Revenues.....	33	Schedule A
Schedule of Operating Expenses by Object	34	Schedule B
Schedule of Non-Operating Revenues and Expenses.....	35	Schedule C
Schedule of Net Assets by Source and Availability.....	36	Schedule D
Schedule of Expenditures of Federal Awards.....	37-40	Schedule E
Schedule of Expenditures of State Awards.....	41-42	Schedule F
OTHER REPORTS:		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	43-44	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	45-46	
Schedule of Findings and Questioned Costs.....	47-48	
Report on Compliance with Provisions of the Public Funds Investment Act.....	49	
Schedule of Portfolio Composition.....	50	
STATISTICAL SUPPLEMENT SECTION (Unaudited)	51-68	

TRINITY VALLEY COMMUNITY COLLEGE
 ORGANIZATIONAL DATA
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2011

Board of Trustees

Officers

Ray Raymond	President
Paula Kimball	Vice President
Glendon Forgey	Secretary

Members

	<u>Term Expires</u> <u>April 30,</u>
Homer L. Norville	Kaufman, Texas 2016
Dr. Charlie Risinger	Terrell, Texas 2016
Jerry Stone	Malakoff, Texas 2016
Ron Day	Mabank, Texas 2012
Paula Kimball	Seven Points, Texas 2012
David Monk	Tyler, Texas 2012
Jack Endres	Athens, Texas 2014
Ray Raymond	Kaufman, Texas 2014
Kenneth McGee	Athens, Texas 2014

Principal Administrative Officers

Dr. Glendon Forgey	President
Mike Abbott	Vice-President of Information Technology
Dr. Rip Drumgoole	Vice-President of Student Services
Dr. Jerry King	Vice-President of Instruction
Jean McSpadden	Vice-President of Administrative Services and Chief Financial Officer
Mary Nicholson	Vice-President of Institutional Advancement
Brett Daniel	Associate Vice-President of Information Technology
Dr. Sam Hurley	Associate Vice-President of Correctional Education
David McAnally	Associate Vice-President of Instruction for Workforce Education
Dr. Jeremy McMillen	Associate Vice-President of Instruction for Academic Education
Dr. Jeffrey Watson	Provost of Palestine Campus
Dr. Algia Allen	Provost of Terrell Campus
Dr. Helen Reid	Provost of Health Occupations
Joyce Helberg	Controller

SMITH, LAMBRIGHT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Marlin R. Smith, CPA
J. W. Lambright, CPA

Cheri E. Kirkland, CPA

P. O. Box 912
505 E. Tyler
Athens, Texas 75751
(903) 675-5674
FAX (903) 675-5676
smithlambright.com

INDEPENDENT AUDITOR'S REPORT

UNQUALIFIED OPINIONS ON THE BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION - SINGLE AUDIT-
GOVERNMENTAL ENTITY

The Board of Trustees
Trinity Valley Community College
100 Cardinal Drive
Athens, Texas 75751

Members of the Board of Trustees:

We have audited the accompanying financial statements of Trinity Valley Community College (the "College"), a special purpose government engaged only in business - type activities, as of and for the year ended August 31, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's administration. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business - type activities of the College as of August 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2011, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the College. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Texas Coordinating Board requires Texas colleges to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in schedules identified in the Table of Contents as Schedules A through D and F, portfolio composition with compliance report and statistical supplements.. The schedules A through D and F and portfolio composition have been subjected to the auditing procedures applied in the audit of the basic financial statements and , in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical supplements are marked UNAUDITED and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and supporting schedules and accordingly, we do not express an opinion or provide any assurance on them.

Smith, Lambright & Associates, P.C.

Respectfully submitted,

SMITH, LAMBRIGHT & ASSOCIATES, P. C.
Certified Public Accountants

November 17, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Trinity Valley Community College's financial statements provides an overview of the College's financial activities for the year ending August 31, 2011. Please read it in conjunction with the independent auditor's reports, the College's basic financial statements, footnotes, schedules and supplemental information.

Trinity Valley Community College is a comprehensive community college providing both credit and non-credit courses. Courses are taught at the Athens campus, Palestine campus, Terrell campus, Kaufman Health Science Center, Texas Department of Criminal Justice, area high schools and through distance education. In order to maintain financial stability, the College strives to have adequate revenue streams to accumulate net assets to ensure sufficient funding to accomplish its mission.

USING THIS REPORT

The College's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 33 "Accounting and Financial Reporting for Nonexchange Transactions," Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and Statement 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities." These statements require a comprehensive one-line look at the entity. Financial data is presented in a form similar to that used by corporations. This presentation contrasts with financial statements prepared prior to implementation of GASB 33, 34 and 35 which focused on accountability of funds ,i.e., current, auxiliary, endowment, loan and plant funds.

The annual financial report is presented in three sections: organizational data, financial data and statistical data. The organizational section includes the College's Board of Trustees and principal officers. The financial section includes the independent auditor's report, this management's discussion and analysis, the financial statements, notes to the financial statements, other auditor reports, and schedules. The statistical section includes selected unaudited data, generally presented in multi-year formats.

FINANCIAL INFORMATION

There are three basic financial statements in this report. The financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College, and assist the reader in assessing the College's financial health. The basic financial statements are:

- The Statement of Net Assets,
- The Statement of Revenues, Expenses, and Changes in Net Assets, and
- The Statement of Cash Flows.

The Statement of Net Assets

The Statement of Net Assets (SONA) includes all assets and liabilities and is presented as Exhibit 1 on page 13. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to us, regardless of when cash is received or paid. This statement reflects the status of the College's financial resources after the revenues and expenses have been recorded for the year.

The College's net asset balance (the difference between assets and liabilities) is one indicator of the College's financial health. Over time, increases or decreases in net assets is one indicator of the improvement or deterioration of the College's financial health. Of course, other non-financial data such as enrollment levels and condition of facilities should also be considered in this assessment.

As shown on the SONA, net assets decreased by \$429,477, a 1% decrease over net assets at fiscal year-end 2010.)

The Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA) presents the revenues earned and expenses incurred during the year and is presented as Exhibit 2 on page 15. The activities of the College are classified as either operating or non-operating.

GASB 33, 34, and 35 accounting requirements define *operating* and *non-operating* revenues for public colleges. Operating revenues are activities that generate income that result from “exchange transactions”, i.e., payments received for the college’s services. Under this definition, although they are budgeted for operational use, state appropriations and ad valorem tax revenues are considered non-operating revenue because these revenues do not meet the above mentioned definition for operating revenue, i.e., income resulting from “exchange transactions”. Similarly, current GASB interpretation advocates the classification of federal Title IV funds as non-operating revenue as well.

GASB 33, 34, and 35 also require the following treatment of revenues and capital expenditures:

- The reporting of tuition and fees and auxiliary (housing, food service and bookstore) revenue is *net of discounts*. Discounting is the practice of accepting less than the stated charge for tuition, fees, room, board and/or books in payment for the goods and services provided. Common terminology for methods of discounting are: “institutional scholarships” when self-funded by the institution, “waivers” and/or “exemptions” when state mandated, “financial aid” and “allowances”. Prior to GASB 34 and 35, reporting gross tuition and fee revenue, and reporting an offsetting expense as “scholarships and financial aid” was the generally acceptable accounting treatment for public colleges and universities. GASB 34 and 35 now require the reporting of scholarship/financial aid as a deduction (discount) from revenue; and
- The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statement as depreciation expense, which allocates the cost of an asset over its expected useful life.

Due to the above accounting treatments and especially since state appropriations, ad valorem taxes and federal Title IV funds are three of the four primary sources of revenue (state appropriations, tuition and fees, federal funds and property taxes), it is typical to have an *operating loss* on the Statement of Revenues, Expenses, and Changes in Net Assets. If state appropriations, property tax revenue, and federal Title IV funds are added to operating revenues, overall income will usually be positive as is the case this year.

Additional factors that affect the levels of revenues and expenses include:

Revenues:

- Enrollment levels directly affect tuition and fee revenues and auxiliary (housing, food service, and bookstore) sales, services and fee revenues.
- The State of Texas contributes a significant portion of the College revenues through state appropriations. Thus, the economic health and budget priorities of the State may directly affect revenues.
- The College derives a significant amount of grant and student financial aid from the Federal and State governments. Again, changes in their budget priorities may affect revenues.
- Increases or decreases in property tax valuations and property tax rates will affect tax revenues.
- Investment income is affected by changes in interest rates, the stock market, etc.

Expenses:

- Enrollment levels may directly affect expenses by increasing or decreasing the resources required to support the students.
- The implementation of new programs or additional services within the existing functional expense categories directly affects the level of services required and resources needed.
- Economic factors, such as changes in prices caused by inflation or changes in energy prices, will impact operating costs.

Note: In the SRECNA, the terminology “scholarships” used under operating expenses are monies paid directly to students and were not included as a “discount” against tuition, fees, room, board and book revenues. (See paragraph on tuition discounting above.) The majority of these monies are Federal Financial Aid that flow from the U.S. Department of Education through the College to the students for their own use after educational costs have been paid.

Total operating revenue was \$14,665,293, an increase of 39.8% over the prior year. The primary contributors to the increase were an enrollment increase of 4.6% over the previous academic year (on a semester credit hour basis) which contributed to higher Tuition and Fee revenues, and Tuition and Fee increases of \$8, \$12, and \$11 per semester credit hour for in-district, out-of-district, and non-resident students respectively, and grant-provided (non-governmental) revenues of \$1,900,000 representing the value of software licenses for the college’s new mechanical engineering technology program.

Operating expenses totaled \$47,574,767, an increase of \$5,849,777 or 14% over the previous year. The primary components of this increase were scholarship expenses (which are cash balances paid out to students after TVCC charges have been paid), salaries and employee benefits, and grant-funded (non-governmental) expenditures for software licenses associated with the college’s new mechanical engineering technology program. Scholarship expenses increased due to an increase in the number of students receiving financial aid, and an increase in the amount of aid per student. Salaries and benefits increased due to an increase in the cost of health insurance and a modest salary increase for full-time employees.

Net non-operating revenue, the majority of which is state appropriations, property tax revenue and federal Title IV funds to students, increased \$1,088,500 or 3.4% from the previous year from \$32,323,055 to \$33,411,555. Most of the increase is attributable to an increase in federal Title IV (primarily Pell Grants) and other financial aid funding due to an increase in the number of students receiving financial aid and an increase in the amount of aid per student. Property tax revenues increased \$373,918 or 5% which was due to slight increases in appraised values and tax rates. The federal funding and property tax revenue increases were offset by lower gift and investment income. Investment income was down due to lower interest rates and less invested cash.

The college transferred its former Endowment Fund assets to the TVCC Foundation in September, 2010, resulting in an Extraordinary Item which reduced net assets by \$931,558. Without this extraordinary item, net assets of the college would have increased by \$502,081.

The SRECNA presents revenues and expenses by Operating and Non-operating categories. The tables below show them by source and classification respectively.

Revenues by Source (Condensed)				
	2011	2010	Increase (Decrease)	Percent Change
Revenues				
State Appropriations	\$ 13,108,635	\$ 14,361,598	\$ (1,252,963)	-8.7%
Fed Title IV	12,859,396	10,759,291	2,100,105	19.5%
Property Taxes - net	7,456,084	7,090,884	365,200	5.2%
Tuition and Fees - net	6,393,018	4,824,036	1,568,982	32.5%
Grants/Contracts	5,103,565	2,321,400	2,782,165	119.8%
Auxiliary	2,603,642	2,834,653	(231,011)	-8.1%
Other	593,252	539,276	53,976	10.0%
Investment Income	115,827	225,077	(109,250)	-48.5%
Gifts	-	8,690	(8,690)	-100.0%
Total Revenues	\$ 48,233,419	\$ 42,964,905	\$ 6,521,477	15.2%

	Expenses by Classification (Condensed)		Increase (Decrease)	Percent Change
	2011	2010		
Expenses				
Salaries	\$ 19,930,432	\$ 18,576,758	\$ 1,353,674	7.3%
Benefits	6,282,117	5,802,974	\$ 479,143	8.3%
Auxiliary, Other	3,947,393	3,934,043	\$ 13,350	0.3%
Scholarships and Fellowships	8,457,280	6,712,653	\$ 1,744,627	26.0%
Educational Activities, Other	6,054,748	3,636,711	\$ 2,418,037	66.5%
Operations and Maint. of Plant, Other	1,541,573	1,758,254	\$ (216,681)	-12.3%
Depreciation	1,361,224	1,303,597	\$ 57,627	4.4%
Interest Expense	120,400	141,800	\$ (21,400)	-15.1%
Loss on Disposal of Assets	36,171	12,201	\$ 23,970	196.5%
Total Ordinary Expenses	\$ 47,731,338	\$ 41,878,991	\$ 5,852,347	14.0%
Extraordinary Item	\$ 931,558	\$ -	\$ 931,558	
Total Expenses	\$ 48,662,896	\$ 41,878,991	\$ 6,783,905	

Statement of Cash Flows

Another way to assess the financial health of an institution is to analyze cash flow. The college's Statement of Cash Flows is presented as Exhibit 3 on page 17. Its primary purpose is to provide relevant information about actual cash receipts and cash payments during the period. It also helps users assess the institution's ability to generate future net cash flows, its ability to meet its obligations as they come due and whether or not there is a need for external financing.

Cash provided (used) by *operating activities* represents the difference in the incoming and outgoing cash for educational and administrative activities (primarily receipts for tuition and fees, auxiliary services, and grants and payments for salaries, goods and services and scholarships).

Cash provided by *non-capital financing activities* represent state appropriations, collections for local ad valorem taxes, federal Title IV funds and agency transactions.

Cash provided (used) in *capital and related financing activities* represent bond proceeds received and payments for acquisitions and construction of capitalized assets.

Cash provided (used) by *investing activities* may include proceeds from sales of investment instruments, receipts of interest and dividends, and purchases to acquire investment instruments.

For fiscal year 2011, there was more cash used (outflow) that provided (inflow) resulting in negative cash flow of \$5,992,523 as compared to fiscal year 2010 negative cash flow of \$267,435. While the increase in negative cash flow over the prior year is attributable to many offsetting inflows and outflows, the change can be primarily attributed to higher capital spending for the new residence hall in 2011 as compared to 2010.

The table below shows a summary comparison of cash flows for the years ended August 31, 2011 and 2010.

Statement of Cash Flows (Condensed)				
	2011	2010	Cash Increase (Decrease)	Percent Change
Net Cash provided (used) by:				
Operating activities	\$ (29,479,921)	\$ (28,538,787)	\$ (941,134)	3.3%
Non-capital financing activities:				
State Appropriations	11,490,113	12,683,679	(1,193,566)	-9.4%
Ad Valorem Taxes (net)	7,456,491	7,014,617	441,874	6.3%
Federal Title IV	12,840,314	10,713,610	2,126,704	19.9%
Transfer of Endwmt Fund to Fndn	(930,022)	-	(930,022)	
Other non-capital financing activities	19,046	(148,155)	167,201	-112.9%
Capital and related financing activities	(7,514,946)	(2,231,219)	(5,283,727)	236.8%
Investing activities	126,402	238,820	(112,418)	-47.1%
Net increase (decrease) in cash	(5,992,523)	(267,435)	(5,725,088)	
Cash, Beginning of Year	12,181,859	12,449,294		
Cash, End of Year	\$ 6,189,336	\$ 12,181,859		

Capital Asset and Debt Administration

Capital Assets

At August 31, 2011, the College had \$37,273,425 invested in capital assets, net of accumulated depreciation of \$15,846,235. Refer to Note 6 in the Notes to the Financial Statements (page 23) for further details on the College's capital assets.

The College remains committed to maintaining adequate physical resources to support its mission, and in early 2009 completed a major update to the campus master plan. In March, 2010, the College's Board of Trustees approved the construction of a new residence hall on the Athens campus and an expansion of the Health Science Center. Students moved into the new residence hall (Cardinal Hall) on August 22, 2011. Planning for the HSC expansion is ongoing.

Capital asset activity in 2011 was primarily focused in three areas: Cardinal Hall construction, acquisition of a new intercampus telecommunications and telephone system including software and equipment through a lease/purchase agreement, and initial design costs associated with the expansion of the Health Science Center.

Debt

The College issued a \$5.5 million general revenue bond in 2005 to aid in the construction of facilities. Outstanding debt on that bond at fiscal year-end is \$2,455,000 with \$580,000 (plus interest) due in fiscal year 2012.

The College entered into a lease/purchase agreement on July 15, 2011 in the amount of \$392,634 to finance the acquisition of a new telecommunications and telephone system. The agreement includes a component whereby the vendor is paying interest costs. The college will be making four annual principal-only payments beginning September 15, 2011.

The college has no other debt as of August 31, 2011, but plans to issue additional bonds at some point in the future to fund the Health Science Center expansion.

Refer to Notes 7 and 9 in the Notes to the Financial Statements (pages 25 and 26) for additional information regarding debt.

Affiliated Organization

The Trinity Valley Community College Foundation is not a component unit as defined in GASB 39. However, we have reported the Foundation as an affiliated organization.

The Foundation plays a key role in helping the college fulfill its mission. The Foundation's Net Asset balance at fiscal year-end August 31, 2011 is \$3,239,161, an increase of approximately \$1 million, or 48% over the previous year. The increase was primarily attributable to the transfer of the college's former Endowment Fund assets to the TVCC Foundation in September, 2010. The Foundation's Statement of Net Assets and Statement of Activities are presented on pages 14 and 16 respectively.

The Foundation's overall goal is to strengthen scholarship endowment funds in hopes of providing some type of scholarship for every deserving student who desires a college education at Trinity Valley Community College.

FUTURE FINANCIAL AFFECTS

Trinity Valley Community College strives to provide quality educational programs at an affordable cost. The College maintains one of the lowest tuition rates as well as one of the lowest property tax rates among all Texas community colleges. Through fiscally responsible leadership by the Board of Trustees and the College's administration, the College has generated continued growth in net assets. The financial statements attest to its sound financial base and financial stability.

The Trinity Valley Community College mission statement reads:

Trinity Valley Community College is a learning-centered college that provides quality academic, workforce, and community service programs to meet the educational needs of our students and the citizens of our service area.

The Trinity Valley Community College's service area consists of 28 independent school districts covering Henderson, Anderson, Kaufman and Rains counties and part of Van Zandt and Hunt Counties. The area has experienced population growth in past years with an emphasis among minority groups. The number of students in the service area identified as economically disadvantaged has risen over the years as well. Along with its open-door admissions policy, meeting the needs of this growing and changing population continues to be a challenge. The College must prepare students for transfer to a university, provide opportunities for students to obtain workforce skills, participate in non-credit courses and earn certificates and associates degrees. The College strives to provide programs which will enhance learning for all students.

Trinity Valley is committed to its mission. However, the ability to fulfill its mission is directly influenced by enrollment, state appropriations, and federal funding. Additionally, escalation of salaries, benefits, and unfunded state and federal mandates require continual fiscal oversight. The College will scrutinize potential avenues for additional revenue and will endeavor to keep operating costs at a minimum while striving to keep the price of education affordable for all students.

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

EXHIBITS AND NOTES

TRINITY VALLEY COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
AUGUST 31, 2011 AND AUGUST 31, 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,991,653	\$ 3,576,992
Short-Term Investments	1,000,000	7,499,000
Accounts Receivable (Net)	3,645,050	3,414,737
Deferred Charges	71,708	61,756
Inventories	513,159	604,308
Prepaid Expenses	31,600	39,345
Total Current Assets	<u>10,253,170</u>	<u>15,196,138</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	197,683	220,665
Restricted Short-Term Investments	0	885,202
Capital Assets, (Net) (See Note)	37,273,425	30,887,333
Total Noncurrent Assets	<u>37,471,108</u>	<u>31,993,200</u>
Total Assets	<u>47,724,278</u>	<u>47,189,338</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	1,439,003	723,924
Accrued Compensable Absences - Current Portion	348,277	314,171
Funds Held for Others	123,020	132,158
Deferred Revenues	1,491,332	1,227,675
Deposits	340,078	199,135
Capital Leases Payable - Current Portion	96,393	0
Bonds Payable - Current Portion	580,000	555,000
Total Current Liabilities	<u>4,418,103</u>	<u>3,152,063</u>
Noncurrent Liabilities		
Capital Leases Payable	278,377	0
Bonds Payable	1,875,000	2,455,000
Total Noncurrent Liabilities	<u>2,153,377</u>	<u>2,455,000</u>
Total Liabilities	<u>6,571,480</u>	<u>5,607,063</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	34,443,655	27,877,334
Restricted for		
Non-expendable		
Student Aid	0	690,100
Expendable		
Student Aid	0	241,458
Unexpended Bond Funds (Net of Bonded Debt)		
Unrestricted	6,709,143	12,773,383
Total Net Assets (Schedule D)	<u>\$ 41,152,798</u>	<u>\$ 41,582,275</u>

The accompanying notes are an integral part of the financial statements.

TRINITY VALLEY COMMUNITY COLLEGE
 AFFILIATED ORGANIZATION
 TRINITY VALLEY COMMUNITY COLLEGE FOUNDATION
 STATEMENT OF NET ASSETS
 AUGUST 31, 2011 AND AUGUST 31, 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and Cash Equivalents	\$ 471,154	\$ 430,373
Investments	2,766,815	1,754,618
Accrued Receivables		
Capital Assets (Net)	<u>2,621</u>	<u>2,621</u>
Total Assets	<u>3,240,590</u>	<u>2,187,612</u>
LIABILITIES		
Accounts Payable	<u>1,429</u>	<u>1,361</u>
NET ASSETS		
Invested in Capital Assets	2,621	2,621
Restricted for:		
Nonexpendable		
Student Aid	2,713,574	1,940,530
Expendable		
Student Aid	459,768	200,344
Capital Projects	24,208	21,653
Unrestricted	<u>38,990</u>	<u>21,103</u>
Total Net Assets	<u>\$ 3,239,161</u>	<u>\$ 2,186,251</u>

The accompanying notes are an integral part of the financial statements.

TRINITY VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues		
Tuition and Fees (Net of Discounts of \$4,770,107 And \$3,764,893 respectively)	\$ 6,393,018	\$ 4,824,036
Federal Grants and Contracts	1,539,583	1,056,218
State Grants and Contracts	1,663,982	1,238,793
Local Grants and Contracts		
Non-government Grants and Contracts	1,900,000	26,389
Sales and Services of Educational Activities	226,789	285,073
Auxiliary Enterprises (Net of Discounts of \$2,171,525 And \$2,046,376 respectively)	2,603,642	2,834,653
General Operating Revenue	<u>338,279</u>	<u>222,687</u>
Total Operating Revenues (Schedule A)	<u>14,665,293</u>	<u>10,487,849</u>
Operating Expenses		
Instruction	18,292,194	14,924,197
Public Service	536,937	534,045
Academic Support	3,970,555	3,767,858
Student Services	3,382,862	3,226,070
Institutional Support	3,609,126	3,324,888
Operation and Maintenance of Plant	3,035,843	3,167,606
Scholarships and Fellowships	8,457,280	6,712,653
Auxiliary Enterprises	4,928,746	4,764,076
Depreciation	<u>1,361,224</u>	<u>1,303,597</u>
Total Operating Expenses (Schedule B)	<u>47,574,767</u>	<u>41,724,990</u>
Operating Income (Loss)	<u>(32,909,474)</u>	<u>(31,237,141)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	13,108,635	14,361,598
Maintenance Ad Valorem Taxes	7,670,212	7,296,294
Federal Revenues, non-operating	12,859,396	10,759,291
Payments for Collection of Taxes	(214,128)	(205,410)
Gifts	0	8,690
Other Non-operating Revenue	28,184	31,516
Investment Income	115,827	225,077
Interest on Capital Related Debt	(120,400)	(141,800)
Loss on Disposal of Fixed Assets	<u>(36,171)</u>	<u>(12,201)</u>
Net Non-Operating Revenues (Schedule C)	<u>33,411,555</u>	<u>32,323,055</u>
Income Before Extraordinary Item	<u>502,081</u>	<u>1,085,914</u>
Extraordinary Item:		
Transfer of Endowment Fund to the TVCC Foundation	<u>(931,558)</u>	<u>0</u>
Decrease in Net Assets	(429,477)	1,085,914
Net Assets		
Net Assets - Beginning of Year	41,582,275	40,496,361
Net Assets - End of Year	<u>\$ 41,152,798</u>	<u>\$ 41,582,275</u>

The accompanying notes are an integral part of the financial statements.

TRINITY VALLEY COMMUNITY COLLEGE
 AFFILIATED ORGANIZATIONS
 TRINITY VALLEY COMMUNITY COLLEGE FOUNDATION
 STATEMENT OF ACTIVITIES
 FOR THE YEARS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010

	2011	2010
REVENUES		
Investment Income	\$ 63,564	\$ 61,110
Fund Raising Events (Net of Expense)	4,110	3,733
Gifts	111,044	89,221
Realized Gain on Sale of Securities	62,696	11,182
Unrealized Gain (Loss) on Sale of Securities	23,335	81,587
Total Revenues	264,749	246,833
EXPENSES		
Scholarships	121,125	56,583
Contributions to TVCC	8,974	2,866
Administrative Expense	13,298	5,698
General Fundraising Expense	2,223	2,223
Total Expenses	143,397	67,370
Change in Net Assets	121,352	179,463
Transfer of TVCC Endowment Fund to TVCC Foundation	931,558	0
Net Assets at Beginning of Year	2,186,251	2,006,788
Net Assets at End of Year	\$ 3,239,161	\$ 2,186,251

The accompanying notes are an integral part of the financial statements.

TRINITY VALLEY COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 15,840,213	\$ 13,323,193
Receipts of Grants and Contracts	5,179,103	2,355,249
Payments to Suppliers for Goods or Services	(11,542,342)	(9,472,935)
Payments to or on Behalf of Employees	(24,438,626)	(22,540,060)
Payments to Scholarships and Fellowships	(14,672,516)	(12,039,655)
Loans Issued to Students	(1,178,942)	(8,453,239)
Collection of Loans to Students	1,216,601	8,265,679
Other Receipts	116,588	22,981
Net Cash Provided (Used) by Operating Activities	<u>(29,479,921)</u>	<u>(28,538,787)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	11,490,113	12,683,679
Receipts from Ad Valorem Taxes	7,670,619	7,219,938
Receipts from non-operating federal Revenue	12,840,314	10,713,610
Payment for Collections of Taxes	(214,128)	(205,321)
Receipts from Student Organizations and Other Agency Transactions	14,992,576	7,822,638
Payments to Student Organizations and Other Agency Transactions	(15,001,714)	(8,010,999)
Other Receipts	28,184	40,206
Transfer of Endowment Fund Cash to TVCC Foundation	(930,022)	0
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>30,875,942</u>	<u>30,263,751</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Capital Debt	374,770	0
Purchases of Capital Assets	(7,214,316)	(1,554,419)
Payments on Capital Debt - Principal	(555,000)	(535,000)
Payments on Capital Debt - Interest	(120,400)	(141,800)
Net Cash Provided (Used) by Capital Financing Activities	<u>(7,514,946)</u>	<u>(2,231,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	126,402	238,820
Net Cash Provided (Used) by Investing Activities	<u>126,402</u>	<u>238,820</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,992,523)	(267,435)
CASH AND CASH EQUIVALENTS - September 1	<u>12,181,859</u>	<u>12,449,294</u>
CASH AND CASH EQUIVALENTS - August 31	<u>\$ 6,189,336</u>	<u>\$ 12,181,859</u>

TRINITY VALLEY COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEARS ENDED AUGUST 31, 2011 AND AUGUST 31, 2010

	<u>2011</u>	<u>2010</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (32,909,474)	\$ (31,237,141)
Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,361,224	1,303,597
Payments Made Directly by State for Benefits	1,618,522	1,677,919
Changes in Assets and Liabilities		
Receivables, Net	(253,749)	(554,414)
Deferred Expenses	(9,952)	6,912
Inventories	91,149	(31,495)
Prepaid Expenses	7,745	1,455
Accounts Payable	175,908	(11,034)
Deposits	131,109	32,270
Compensated Absences	34,106	72,046
Deferred Revenue	273,491	201,098
Net Cash Provided (Used) by Operating Activities	<u>\$ (29,479,921)</u>	<u>\$ (28,538,787)</u>

The Accompanying notes are an integral part to the financial statements.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

1. REPORTING ENTITY

Trinity Valley Community College (the College) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of the Trinity Valley Community College District and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Report Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

B. Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award is used by the student for the tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other tuition discounts

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C. Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

D. Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

E. Cash and cash equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments (including certificates of deposit) with original maturities of three months or less from the date of acquisition.

F. Investments

In accordance with GASB Statement No 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. The governing board has designated public funds investment pools comprised of \$ -0- to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

G. Inventories

Inventories consist of consumable office supplies, physical plant supplies, food service supplies, and bookstore stock. Inventories are valued at cost and are charged to expense as consumed.

H. Capital assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure as well as the cost of new buildings are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles and other equipment and 5 years for telecommunications and peripheral equipment.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Deferred revenues

Tuition, fees, and other revenues received and related to the period after August 31, 2011 have been deferred.

J. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

L. Characterization of Title IV Grant Revenue

In response to guidance provided by the Government Accounting Standards Board (GASB) as question/answer 7.72.10 in the implementation Guide, revenue received for federal Title IV grant programs (i.e. Pell grants) is now characterized as non-operating revenue as opposed to operating revenue.

3. AUTHORIZED INVESTMENTS

Trinity Valley Community College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligation of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

4. DEPOSITS AND INVESTMENTS

Cash and Deposits included on Exhibit 1, Statement of Net Assets, consist of the following items reported below.

Cash and Deposits

	2011	2010
Bank Deposits:		
Demand Deposits	\$ 2,627,833	\$ 2,663,977
Cash and Cash Equivalents:		
Petty Cash on Hand	4,917	5,775
Total Cash and Deposits	\$ 2,632,750	\$ 2,669,752

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2011	Market Value August 31, 2010
U. S. Government	\$ 0	\$ 0
U. S. Instrumentality	0	0
Real Estate Investments	0	0
Totals	\$ 0	\$ 0
Total Cash and Deposits	2,632,750	2,669,752
Total Investments	3,556,586	9,512,107
Total Deposit and Investments	6,189,336	12,181,859
Cash and Temporary Investments (Exhibit 1)	3,632,750	3,797,657
Investments (Exhibit 1)	2,556,586	8,384,202
Total Deposits and Investments	\$ 6,189,336	\$ 12,181,859
<u>Investment Type</u>		<u>Weighted Average Maturity (Years)</u>
Certificate of Deposit	\$ 1,000,000	.0822
Money Market Accounts	2,556,586	.0822
Total Fair Value	\$ 3,556,586	

The College has no investments exposed to credit or custodial risk. All deposits are either insured by federal deposit insurance or covered by collateral pledged in Trinity Valley Community College's name and held in the safekeeping departments of unrelated banks which act as the pledging bank's agents.

5. DERIVATIVES

The College had no derivatives at August 31, 2011.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2011 was as follows:

	Balance September 1, 2010	<u>Increases</u>	<u>Decreases</u>	Balance August 31, 2011
<u>Not Depreciated:</u>				
Land	\$ 1,158,469	\$	\$	\$ 1,158,469
Construction in Progress	<u>423,631</u>	<u>7,050,013</u>	<u> </u>	<u>7,473,644</u>
				0
Subtotal	<u>1,582,100</u>	<u>7,050,013</u>	<u> </u>	<u>8,632,113</u>
Other Capital Assets:				
Building	35,199,962	247,167		35,447,129
Facilities & Improvements	2,640,645			2,640,645
Library Books	2,739,081	113,805	92,790	2,760,096
Furniture, Machinery, Vehicles, and Other Equipment	1,625,079	134,569	7,332	1,752,316
Telecommunications and Peripheral Equipment	<u>1,707,196</u>	<u>237,931</u>	<u>57,766</u>	<u>1,887,361</u>
Subtotal	<u>43,911,963</u>	<u>733,472</u>	<u>157,888</u>	<u>44,487,547</u>
Accumulated Depreciation:				
Buildings	9,752,884	749,880		10,502,764
Facilities & Improvements	938,464	119,302		1,057,766
Library Books	1,916,185	101,820	62,017	1,955,988
Furniture, Machinery, Vehicles, and Other Equipment	1,013,191	156,964	15,835	1,154,320
Telecommunications and Peripheral Equipment	<u>986,004</u>	<u>233,258</u>	<u>43,865</u>	<u>1,175,397</u>
Subtotal	<u>14,606,728</u>	<u>1,361,224</u>	<u>121,717</u>	<u>15,846,235</u>
Net Other Capital Assets	<u>29,305,235</u>	<u>(627,752)</u>	<u>36,171</u>	<u>28,641,312</u>
Net Capital Assets	<u>\$ 30,887,335</u>	<u>\$ 6,422,261</u>	<u>\$ 36,171</u>	<u>\$ 37,273,425</u>

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

6. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2010 was as follows:

	<u>Balance September 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2010</u>
<u>Not Depreciated:</u>				
Land	\$ 1,158,469	\$	\$	\$ 1,158,469
Construction in Progress	<u>9,571</u>	<u>414,060</u>	<u></u>	<u>423,631</u>
Subtotal	<u>1,168,040</u>	<u>414,060</u>	<u>0</u>	<u>1,582,100</u>
 <u>Other Capital Assets:</u>				
Building	34,714,560	485,402		35,199,962
Facilities & Improvements	2,414,483	226,162		2,640,645
Library Books	2,642,928	110,402	14,249	2,739,081
Furniture, Machinery, Vehicles, and Other Equipment	1,470,764	193,332	39,017	1,625,079
Telecommunications and Peripheral Equipment	<u>1,582,135</u>	<u>125,061</u>	<u></u>	<u>1,707,196</u>
Subtotal	<u>42,824,870</u>	<u>1,140,359</u>	<u>53,266</u>	<u>43,911,963</u>
 <u>Accumulated Depreciation:</u>				
Buildings	9,026,444	726,440		9,752,884
Facilities & Improvements	827,643	110,821		938,464
Library Books	1,825,467	101,667	10,949	1,916,185
Furniture, Machinery, Vehicles, and Other Equipment	895,740	147,567	30,116	1,013,191
Telecommunications and Peripheral Equipment	<u>768,902</u>	<u>217,102</u>	<u></u>	<u>986,004</u>
Subtotal	<u>13,344,196</u>	<u>1,303,597</u>	<u>41,065</u>	<u>14,606,728</u>
Net Other Capital Assets	<u>29,480,674</u>	<u>(163,238)</u>	<u>12,201</u>	<u>29,305,235</u>
Net Capital Assets	<u>\$ 30,648,714</u>	<u>\$ 250,822</u>	<u>\$ 12,201</u>	<u>\$ 30,887,335</u>

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

7. LONG - TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2011 was as follows:

	Balance September 1 2010	Additions	Reductions	Balance August 31 2011	Current Portion
Bonds:					
Revenue Bonds	\$ 3,010,000	\$	\$ 555,000	\$ 2,455,000	\$ 580,000
	<u>\$ 3,010,000</u>	<u>\$</u>	<u>\$ 555,000</u>	<u>\$ 2,455,000</u>	<u>\$ 580,000</u>

Long-term liability activity for the year ended August 31, 2010 was as follows:

	Balance September 1 2009	Additions	Reductions	Balance August 31 2010	Current Portion
Bonds:					
Revenue Bonds	\$ 3,545,000	\$	\$ 535,000	\$ 3,010,000	\$ 555,000
	<u>\$ 3,545,000</u>	<u>\$</u>	<u>\$ 535,000</u>	<u>\$ 3,010,000</u>	<u>\$ 555,000</u>

8. DEBT AND LEASE OBLIGATIONS

Obligations under capital leases at August 31, 2011 were as follows:

For the Year Ended August 31, 2011	Principal	Capital Lease Interest	Total
2012	\$ 96,393	\$ 1,766	\$ 98,159
2013	90,194	7,964	98,158
2014	92,774	5,384	98,158
2015	<u>95,429</u>	<u>2,730</u>	<u>98,159</u>
Totals	<u>\$ 374,790</u>	<u>\$ 17,844</u>	<u>\$ 392,634</u>

Obligations under operating leases at August 31, 2011, were as follows:

For the Year Ended August 31, 2011	Total
2012	\$ 35,441
2013	<u>1,139</u>
Total Minimum Lease Payments	<u>\$ 36,580</u>

TRINITY VALLEY COMMUNITY COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2011

9. BONDS PAYABLE

General information related to bonds payable is summarized as follows:

Bond issue Name, Series - Series 2005
 Purpose of the bond issue - To construct a classroom building
 Issue date - June 27, 2005
 Original amount of issue - \$5,500,000
 Source of revenue for debt service - Pledged tuition fee, building use fee, student services fee, laboratory fee, other fees and Auxiliary Enterprise Fund System revenue including all interest income on such funds.

Bonds payable are due in annual installments varying from \$670,000 to \$681,200 with an interest rate to maturity of 4.0 percent with the final installment due in 2015.

Debt service requirements at August 31, 2011 were as follows:

For the Year Ended August 31,	<u>Principal</u>	<u>Revenue Bonds Interest</u>	<u>Total</u>
2012	\$ 580,000	\$ 98,469	\$ 678,469
2013	595,000	75,000	670,000
2014	625,000	51,200	676,200
2015	<u>655,000</u>	<u>26,200</u>	<u>681,200</u>
Total	<u>\$ 2,455,000</u>	<u>\$ 250,869</u>	<u>\$ 2,705,869</u>

10. ADVANCE REFUNDING BONDS

The College had no advance refunding bonds for the year ending August 31, 2011.

11. DEFEASED BONDS OUTSTANDING

The College had no defeased bonds outstanding for the year ending August 31, 2011.

12. SHORT - TERM DEBT

The College had no short - term debt for the year ending August 31, 2011.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

13. EMPLOYEES' RETIREMENT

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The Trinity Valley Community College District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2011 and 2010 and a state contribution rate of 6.64% for fiscal years 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's contribution.

Optional Retirement Plan

Plan Description. The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.40% and 6.65%, respectively. The College contributes 2.10% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

The retirement expense to the State for the College was \$1,007,320 and \$921,743 for the fiscal years ended August 31, 2011 and 2010, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$19,961,651 and \$18,573,298 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,141,575 and \$11,187,165, and the total payroll of employees covered by the Optional Retirement Program was \$5,974,763 and \$5,747,626 for fiscal years 2011 and 2010, respectively.

14. DEFERRED COMPENSATION PROGRAM

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The College acts as a withholding agent for the employee contracts with their individual plan. The College has no liability to the employee other than withholding from their salary check and remitting to their designated plan. For the year ended August 31, 2011 the College withheld and remitted \$183,675 for 29 employees. For the year ended August 31, 2010, the College withheld and remitted \$172,656 for 29 employees.

15. COMPENSABLE ABSENCES

Full-time non-faculty employees earn annual vacation leave of one day per month of employment during their first ten years of employment. After ten years of employment annual leave is earned at the rate of one and one-half days per month. This leave can accumulate up to one year. Nonexempt employees may receive compensatory time off, rather than overtime pay, for overtime work. Compensatory time may not accrue beyond a maximum of 75 hours and should be used within the duty year in which it is earned. Faculty employees are allowed two personal days per contract year. Personal days do not carry over to subsequent contract years, but effective with the contract year beginning September 1, 2009, are paid upon termination or separation of employment.

Compensable absence balances have been recorded. The College recognized the accrued liability for unused annual vacation leave, compensatory time and personal days in the amounts of \$348,277 at August 31, 2011. The College recognized the accrued liability for the unused annual vacation leave and compensatory time in the amount of \$314,171 at August 31, 2010. Also, all full-time employees are granted sick leave at the rate of one day per month of service to up 45 days depending on length of employment. If this leave is not used for medical purposes, it lapses upon the retirement or resignation of the employee and the employee is not paid for it. Therefore, no accrued liability has been recorded for sick leave.

16. PENDING LAWSUITS AND CLAIMS

There were no pending lawsuits or claims during the current period according to Trinity Valley Community College personnel.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2011, were as follows:

	2011		2010	
	Primary Institution	Component Unit (Foundation)	Primary Institution	Component Unit (Foundation)
Student Receivables	\$ 2,124,579	\$ 0	\$ 1,845,345	\$ 0
Taxes Receivables	816,463	0	815,566	0
Federal Receivables	925,713	0	881,011	0
Accounts Receivables	194,449	0	244,111	0
Interest Receivables	3,247	0	15,357	0
Other Receivables	0	0	7,990	0
Subtotal	4,064,451	0	3,809,380	0
Allowance for Doubtful Accounts	(419,401)	0	(394,644)	
Total Receivables	<u>\$ 3,645,050</u>	<u>\$ 0</u>	<u>\$ 3,414,736</u>	<u>\$ 0</u>

Payables

Payables at August 31, 2011, were as follows:

	2011		2010	
	Primary Institution	Component Unit (Foundation)	Primary Institution	Component Unit (Foundation)
Vendors Payable	\$ 819,420	\$ 1,429	\$ 220,762	\$ 1,361
Students Payable	619,583	0	503,162	0
Total	<u>\$ 1,439,003</u>	<u>\$ 1,429</u>	<u>\$ 723,924</u>	<u>\$ 1,361</u>

18. FUNDS HELD IN TRUST BY OTHERS

There were no known funds held in trust by others on behalf of Trinity Valley Community College for the year ending August 31, 2011.

19. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide and Audits of Colleges and Universities. Revenues are recognized on Exhibit 2 and Schedules A and C. Contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal years ending August 31, 2011 and 2010 respectively for which monies have not been received nor funds expended totaled \$586,592 and \$1,111,600. Of these amounts, \$447,321 and \$405,046 were from Federal Contract and Grant Awards; \$139,271 and \$706,554 were from State Contract and Grant Awards; \$-0- and \$-0- were from Local Contract and Grant Awards; and \$-0- and \$-0- were from Private Contract and Grant Awards for the fiscal years ended August 31, 2011 and 2010, respectively.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

20. SELF-INSURED PLANS

The College did not participate in any self-insured plans as of August 31, 2011.

21. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$413.26 per month for the year ended August 31, 2011 (\$385.38 per month for year ended August 31, 2010) and totaled \$2,509,316 for the year ended August 31, 2011 (\$2,219,994 for the year ended August 31, 2010). The cost of providing those benefits for 112 retirees in the year ended August 31, 2011 was \$655,758 (retiree benefits for 113 retirees cost \$581,362 for the year ended August 31, 2010). For 286 active employees, the cost of providing benefits was \$1,853,558 for the year ended August 31, 2011 (active employee benefits for 276 employees cost \$1,638,632 for the year ended August 31, 2010).

22. AD VALOREM TAX

The College's ad valorem property tax is levied each October 1, on the assessed value listed as of the prior January 1 for all real and business personal property located in the College. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

At August 31:

	2011	2010
Assessed Valuation of the College	\$ 14,066,018,727	\$ 13,907,662,412
Less: Exemptions	(3,476,990,722)	(3,403,606,491)
Less: Abatements	(18,143,218)	(29,429,374)
Net Assessed Valuation of the College	\$ 10,570,884,787	\$ 10,474,626,547

	2011		2010	
	Current Operations	Total	Current Operations	Total
Authorized Tax Rate per \$100 valuation (Maximum Per Enabling Legislation)	\$ 0.5000	\$ 0.5000	\$ 0.500	\$ 0.500
Assessed Tax Rate per \$100 valuation	\$ 0.0775	\$ 0.0775	\$ 0.0744	\$ 0.0744
Assessed Tax Rate per \$100 Valuation for Branch Campus Maintenance	\$ 0.0500	\$ 0.0500	\$ 0.0473	\$ 0.0473

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

22. PROPERTY TAX (continued)

Tax levied during the year ended August 31, 2011 and 2010 is \$7,546,436 and \$7,168,389 which includes any penalty and interest assessed if applicable. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

<u>Taxes Collected (Includes Maintenance Tax)</u>	<u>2011</u>		<u>2010</u>	
	<u>Current Operations</u>	<u>Total</u>	<u>Current Operations</u>	<u>Total</u>
Current Taxes Collected	\$ 7,258,072	\$ 7,258,072	\$ 6,849,209	\$ 6,849,209
Delinquent Taxes Collected	253,456	253,456	226,913	226,913
Penalties and Interest Collected	<u>159,092</u>	<u>159,092</u>	<u>159,375</u>	<u>159,375</u>
Total Collections	<u>\$ 7,670,620</u>	<u>\$ 7,670,620</u>	<u>\$ 7,235,497</u>	<u>\$ 7,235,497</u>

Tax collections for the year ended August 31, 2011 and 2010 were 96.2% and 95.6%, respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and/or operations.

23. BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax which is established by election is supposed to be levied by the Palestine Independent School District. However, due to an agreement by the College and the Palestine Independent School District, this tax is completely administered by the College. It is levied each October 1, on the assessed value listed as of the prior January 1 for all real and business personal property located in the college. Collections are made by Anderson County Tax Assessor-Collector and are transferred to the College to be used for operation of a Branch Campus at Palestine, Texas.

<u>County or Independent School District</u>	<u>Collections (including Penalties and Interest) 2011</u>	<u>Collections (including Penalties and Interest) 2010</u>
Palestine ISD	\$ 561,812 *	\$ 523,693 *

* This amount included in the amount of the preceding notes.

24. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc. Unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2011.

25. COMPONENT UNITS

The Trinity Valley Community College Foundation is not a component unit as defined in GASB 39. However, we have reported Trinity Valley Community College Foundation as an affiliated organization. The Trinity Valley Community College Endowment Fund was transferred to the Trinity Valley Community College Foundation during the current year.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

26. RELATED PARTIES

The only noted and possible related party instance is that Brenda Nash, sister of Texas Agriculture Commissioner, Todd Staples, is an instructor at Trinity Valley Community College.

27. SUBSEQUENT EVENTS

No notable subsequent events were present as of the date of this report.

28. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. Trinity Valley Community College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit post-employment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy. Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The college's contributions to SRHP for the years ended August 31, 2011 and 2010 were \$655,758 and \$581,362 respectively, which equaled the required contributions each year.

SCHEDULES

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2011
(with Memorandum Totals for the Year Ended August 31, 2010)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2011 Total</u>	<u>2010 Total</u>
Tuition:						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 2,764,296	\$	\$ 2,764,296	\$	\$ 2,764,296	\$ 2,206,186
Out-of-District Resident Tuition	1,174,246		1,174,246		1,174,246	931,699
Non-resident Tuition	264,142		264,142		264,142	205,089
TPEG - Credit (Set Aside)*	257,433		257,433		257,433	202,616
State Funded Continuing Education	304,195		304,195		304,195	242,213
TPEG -Non- Credit (Set Aside)*	18,058		18,058		18,058	18,087
Non-State Funded Educational Programs	145,909		145,909		145,909	107,993
Total Tuition	<u>4,928,279</u>	<u>0</u>	<u>4,928,279</u>	<u>0</u>	<u>4,928,279</u>	<u>3,913,883</u>
Fees:						
General Fee	3,769,881		3,769,881		3,769,881	2,912,039
Out-of-District Fee	1,707,013		1,707,013		1,707,013	1,057,398
Laboratory Fee	436,654		436,654		436,654	419,870
Distance Learning Fee	190,757		190,757		190,757	174,045
Installment Plan Fee	10,135		10,135		10,135	9,047
Non-Funded Course Fee	91,175		91,175		91,175	78,949
Other Fees	29,231		29,231		29,231	23,698
Total Fees	<u>6,234,846</u>	<u>0</u>	<u>6,234,846</u>	<u>0</u>	<u>6,234,846</u>	<u>4,675,046</u>
Scholarship Allowances and Discounts:						
Scholarship Allowances	(747,749)		(747,749)		(747,749)	(660,687)
Remissions and Exemptions - State	(176,828)		(176,828)		(176,828)	(131,194)
Remissions and Exemptions - Local	(379,992)		(379,992)		(379,992)	(324,812)
TPEG Allowances	(150,605)		(150,605)		(150,605)	(148,679)
Private and Other Local	0		0		0	(13,000)
Federal Grants to Students	(3,154,862)		(3,154,862)		(3,154,862)	(2,335,057)
State Grants to Students	(160,071)		(160,071)		(160,071)	(151,464)
Total Scholarship Allowances	<u>(4,770,107)</u>	<u>0</u>	<u>(4,770,107)</u>	<u>0</u>	<u>(4,770,107)</u>	<u>(3,764,893)</u>
Total Net Tuition and Fees	<u>6,393,018</u>	<u>0</u>	<u>6,393,018</u>	<u>0</u>	<u>6,393,018</u>	<u>4,824,036</u>
Additional Operating Revenues:						
Federal Grants and Contracts	52,535	1,487,048	1,539,583		1,539,583	1,056,218
State Grants and Contracts	35,408	1,628,574	1,663,982		1,663,982	1,238,793
Local Grants and Contracts	0	0	0		0	0
Non-Governmental Grants and Contracts		1,900,000	1,900,000		1,900,000	26,389
Sales and Services of Educational Activities	226,789		226,789		226,789	285,073
General Operating Revenues	338,279		338,279		338,279	222,687
Total Additional Operating Revenues	<u>653,011</u>	<u>5,015,622</u>	<u>5,668,633</u>	<u>0</u>	<u>5,668,633</u>	<u>2,829,160</u>
Auxiliary Enterprises:						
Residential Life			0	1,289,140	1,289,140	1,274,116
Less: Scholarship Allowances and Discounts			0	(765,493)	(765,493)	(754,126)
Bookstore			0	3,443,640	3,443,640	3,558,484
Less: Scholarship Allowances and Discounts			0	(1,406,032)	(1,406,032)	(1,292,250)
Athletics			0	14,418	14,418	18,267
Other Auxiliary Enterprises			0	27,969	27,969	30,162
Total Auxiliary Enterprises	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,603,642</u>	<u>2,603,642</u>	<u>2,834,653</u>
Total Operating Revenues	<u>\$ 7,046,029</u>	<u>\$ 5,015,622</u>	<u>\$ 12,061,651</u>	<u>\$ 2,603,642</u>	<u>\$ 14,665,293</u>	<u>\$ 10,487,849</u>
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$275,491 and \$220,703, for years August 31, 2011 and August 31, 2010, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

TRINITY VALLEY COMMUNITY COLLEGE
 SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE YEAR ENDED AUGUST 31, 2011
 (with Memorandum Totals for the Year Ended August 31, 2010)

	Operating Expenses			Other Expenses	August 31, 2011 Total	August 31, 2010 Total
	Salaries and Wages	Benefits				
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,684,019	\$	\$ 1,605,361	\$ 930,885	\$ 13,220,265	\$ 12,443,118
Public Service	167,164		63,558	27,203	257,925	250,730
Academic Support	2,114,067		348,004	1,130,012	3,592,083	3,276,215
Student Services	1,823,363		322,783	433,343	2,579,489	2,215,025
Institutional Support	2,160,834		398,220	685,230	3,244,284	2,952,584
Operation and Maintenance of Plant	1,003,515		457,963	1,541,573	3,003,051	3,129,028
Scholarships and Fellowships				2,150	2,150	2,914
Total Unrestricted Educational Activities	<u>17,952,962</u>	<u>0</u>	<u>3,195,889</u>	<u>4,750,396</u>	<u>25,899,247</u>	<u>24,269,614</u>
Restricted - Educational Activities						
Instruction	782,009	1,492,390	138,175	2,659,355	5,071,929	2,481,080
Public Service	172,027	33,404	50,249	23,331	279,011	283,314
Academic Support	19,529	355,159	3,784		378,472	491,642
Student Services	255,480	349,117	35,250	163,527	803,374	1,011,045
Institutional Support		362,980		1,862	364,842	372,304
Operation and Maintenance of Plant		32,792			32,792	38,579
Scholarship and Fellowship				8,455,130	8,455,130	6,709,739
Total Restricted Educational Activities	<u>1,229,045</u>	<u>2,625,842</u>	<u>227,458</u>	<u>11,303,205</u>	<u>15,385,550</u>	<u>11,387,703</u>
Total Educational Activities	19,182,007	2,625,842	3,423,347	16,053,601	41,284,797	35,657,317
Auxiliary Enterprises	748,425		232,928	3,947,393	4,928,746	4,764,076
Depreciation Expense - Building and Other Real Estate Improvements				869,182	869,182	837,261
Depreciation Expense - Equipment and Furniture				492,042	492,042	466,336
Total Operating Expenses	<u>\$ 19,930,432</u>	<u>\$ 2,625,842</u>	<u>\$ 3,656,275</u>	<u>\$ 21,362,218</u>	<u>\$ 47,574,767</u>	<u>\$ 41,724,990</u>
				(Exhibit 2)	(Exhibit 2)	

TRINITY VALLEY COMMUNITY COLLEGE
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2011
 (with Memorandum Totals for the Year Ended August 31, 2010)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2011 Total</u>	<u>2010 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 10,480,931	\$	\$	\$ 10,480,931	\$ 11,760,810
State Group Insurance		1,618,522		1,618,522	1,677,919
State Retirement Matching		1,007,320		1,007,320	921,743
Other		<u>1,862</u>		<u>1,862</u>	<u>1,126</u>
Total State Appropriations	10,480,931	2,627,704	0	13,108,635	14,361,598
Maintenance Ad Valorem Taxes	7,670,212			7,670,212	7,296,294
Federal Revenues, Non Operating		12,859,396		12,859,396	10,759,291
Gifts				0	8,690
Other Income	28,184			28,184	31,516
Investment Income	<u>106,410</u>		<u>9,417</u>	<u>115,827</u>	<u>225,077</u>
Total Non-Operating Revenues	<u>18,285,737</u>	<u>15,487,100</u>	<u>9,417</u>	<u>33,782,254</u>	<u>32,682,466</u>
NON-OPERATING EXPENSES:					
Payments for Collection of Taxes	214,128			214,128	205,410
Interest on Capital Related Debt	120,400			120,400	141,800
Loss on Disposal of Fixed Assets	<u>36,171</u>			<u>36,171</u>	<u>12,201</u>
Total Non-Operating Expenses	<u>370,699</u>	<u>0</u>	<u>0</u>	<u>370,699</u>	<u>359,411</u>
Net Non-Operating Revenues	<u>\$ 17,915,038</u>	<u>\$ 15,487,100</u>	<u>\$ 9,417</u>	<u>\$ 33,411,555</u>	<u>\$ 32,323,055</u>
				(Exhibit 2)	(Exhibit 2)

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
AUGUST 31, 2011
(with Memorandum Totals for August 31, 2010)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 5,786,559				\$ 5,786,559	\$ 5,786,559	
Board Designated					0		
Restricted					0		
Auxiliary Enterprise	732,999				732,999	732,999	
Loan	189,585				189,585	189,585	
Endowment:					0		
Quasi:					0		
Unrestricted					0		
Restricted					0		
Endowment:					0		
True					0		
Term (Per Instructions at Maturity)		0	0		0		0
Life Income Contracts					0		
Annuities					0		
Plant:					0		
Unexpended					0		
Renewals					0		
Debt Service					0		
Investment in Plant				34,443,655	34,443,655		34,443,655
Total Net Assets, August 31, 2011	6,709,143	0	0	34,443,655	41,152,798	6,709,143	34,443,655
Total Net Assets, August 31, 2010	12,773,383	241,458	690,100	27,877,334	41,582,275	10,226,256	31,356,019
					(Exhibit 1)		
					(Exhibit 1)		
Net Increase (Decrease) in Net Assets	<u>\$ (6,064,240)</u>	<u>\$ (241,458)</u>	<u>\$ (690,100)</u>	<u>\$ 6,566,321</u>	<u>\$ (429,477)</u>	<u>\$ (3,517,113)</u>	<u>\$ 3,087,636</u>
					(Exhibit 2)		

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF LABOR			
Pass-Through Program From:			
Texas Workforce Commission:			
Wagner Peysers: Mech. Eng. Biotech Program	17.207	0812WPB000	\$ 390,663
			\$ 390,663
TOTAL U.S. DEPARTMENT OF LABOR			
U.S. SMALL BUSINESS ADMINISTRATION			
Pass-Through Programs From:			
Dallas Community College District			
Business Development Center:			
Small Business Development Center Program	59.037		
09/01/10 - 09/30/10		0-603001-2-0076-24	\$ 6,885
10/01/10 - 08/31/11		0-603001-Z-0046-25	<u>72,290</u>
Subtotal Small Business Development Center Program			79,175
Small Business Jobs Act	59.037	1-603001-7-0152	<u>263</u>
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			
			79,438
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Aid Cluster (SFA Cluster)			
Federal Supplemental Education			
Opportunity Grant (SEOG)	84.007		
09/01/10 - 06/30/11			81,303
07/01/11 - 08/31/11			<u>643</u>
Subtotal SEOG			81,946
Federal Family Education Loans (Note 4)	84.032		
Federal College Work - Study Program (FCWS)	84.033		
09/01/10 - 06/30/11			104,582
07/01/11 - 08/31/11			<u>5,216</u>
Subtotal FCWS			109,798
Federal Perkins Loan Program (Note 4)	84.038		
Federal Pell Grant Program (PELL)	84.063		
09/01/10 - 06/30/11			11,567,818
07/01/11 - 08/31/11			<u>794,770</u>
Subtotal PELL			12,362,588
Federal Direct Loans (Note 1)	84.268		5,035,553
Academic Competitiveness	84.375		
09/01/10 - 06/30/11			<u>305,064</u>
Total Student Financial Aid Cluster			<u>17,894,949</u>
Total Direct Programs			<u>17,894,949</u>

See auditor's reports and notes. The notes to this schedule are on the following pages.

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures and Pass-Through Disbursements
<u>Pass-Through Programs From:</u>			
Texas Education Agency:			
National Literacy Act (Federal)			
Adult Basic Education (ABE)			
Section 231	84.002	114100017110360	305,767
Section 231 - EL Civics	84.002	114100087110349	125,860
Subtotal ABE / Total Texas Education Agency			431,627
Texas Higher Education Coordinating Board:			
Carl Perkins Vocational Education	84.048	114250	489,601
Leveraging Educational Assistance Partnership Program (LEAP)	84.069A	-	7,158
Special Leveraging Educational Assistance Partnership Program (SLEAP)	84.069B	-	9,762
Robert C. Byrd Scholarship	84.185A	-	5,250
Statewide Longitudinal Data System Grant	84.372A	04792	<u>2,000</u>
Subtotal Texas Higher Education Coordinating Board			513,771
University of Texas at Tyler:			
East Texas Tech - Prep Consortium at			
UT-Tyler Program	84.243	-	<u>3,725</u>
Total Pass-Through Programs			<u>949,123</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			18,844,073
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
<u>Pass-Through Programs From:</u>			
Texas Education Agency:			
Adult Basic Education - Temporary			
Assistance for Needy Families (TANF)	93.558	113625017 110338	21,986
Texas Workforce Commission:			
TANF			
09/01/10 - 09/30/10	93.558	TVCC-TANF PY09-01	4,963
10/01/10 - 08/31/11		TVCC-TANF PY10-01	39,120
Subtotal TANF			<u>44,083</u>
Childcare (Local Match East Texas Workforce Dev.)	93.596	04161C15	<u>1,755</u>
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			<u>67,824</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE EXPENDITURES			<u>\$ 19,381,997</u>

See auditor's reports and notes. The notes to this schedule are on the following pages.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Note 1: Federal Assistance Reconciliation

Federal Grants Revenues - Per Schedule A	\$ 1,539,583
Federal Grants Revenues - Per Schedule C	12,859,396
Administration	(52,535)
Federal Direct Loans	<u>5,035,553</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$ 19,381,997</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule is presented using the accrual basis. See notes to the financial statements for Trinity Valley Community College's significant accounting policies.

The expenditures included in the schedule are reported for Trinity Valley Community College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the college for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 3: Expenditures from Federal Funds Not Subject to A-133 Audit (Single Audit)

None

Note 4: Student Loans Processed and Administrative Costs Recovered

The following are student loans from financial institutions processed/facilitated by Trinity Valley Community College during the period from September 1, 2010 through August 31, 2011.

<u>Federal Grantor/CFDA Number/ Program Name</u>	<u>Federal CFDA Number</u>	<u>New Loans Processed</u>	<u>Administrative Cost Recovered</u>	<u>Total Loans Processed and Administrative Cost Recovered</u>
U.S. Department of Education:				
Federal Family Education Loans	84.032	\$ -	\$ -	\$ -
Federal Perkins Loan Program	84.038	\$ -	\$ -	\$ -

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Note 5: Nonmonetary Federal Assistance Received

None

Note 6: Amounts Passed Through by the College

None

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Grantor Agency / Program Title	Grant Contract Number	State Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD (THECB)		
Direct Programs:		
Certified Educational Aide		\$ 43,565
College Work Study (Texas)		23,241
Combat Program		325
Early High School Graduation		67,791
Intensive Summer Program	1423	30,667
Nursing - ADN		9,136
Nursing - Innovation Grant	05684	8,694
Nursing - Vocational		599
Professional Nursing Shortage Reduction - Over 70%		178,966
Texas Air Guard Exemption		324
Texas National Guard Program		300
Texas Educational Opportunity Grant		123,020
Texas Grant Allocation		345,972
Top 10% Scholarship		<u>34,000</u>
Total Direct Programs THECB		\$ 866,600
Pass-through Programs From:		
East Texas Medical Center - Hospital Based Nursing Ed	02299	16,393
El Paso Community College - Dev. Education Incentive		<u>90,988</u>
Total Pass-through Programs THECB		<u>107,381</u>
Total Texas Higher Education Coordinating Board		\$ 973,981
TEXAS EDUCATION AGENCY		
Direct Programs:		
State Adult Education	110100017110360	117,273
State Adult Education	100100017110328	76,807
Adult Basic Education - TANF	113625017110338	7,058
Early College/ High School Cycle 4	101045567110005	<u>116,464</u>
Total Texas Education Agency		317,602
TEXAS SMALL BUSINESS ADMINISTRATION		
Pass - Through Programs From:		
Dallas County Community College District		
Small Business Development Center		
09/01/10- 09/30/10	0-603001-2-0076-24	14,723
10/01/10 - 08/31/11	0-603001-Z-0046-25	<u>113,342</u>
Total Dallas County Community College District		128,065
TEXAS WORKFORCE COMMISSION		
Direct Program:		
Skill Development; Partner with Nucor	0411SDF000	<u>64,680</u>
Total Texas Workforce Commission		64,680
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Programs:		
Jobs & Ed. For Texans (JET) Scholarship	3572-49	68,555
Jobs & Ed. For Texans (JET) Grant	3595-12	24,267
Jobs & Ed. For Texans (JET) Eqpmt #3	4807-19	<u>51,425</u>
Total Texas Comptroller of Public Accounts		<u>144,247</u>
Total State Financial Assistance Expenditures		<u>\$ 1,628,575</u>

See auditor's reports and notes. The notes to this schedule are on the following page.

TRINITY VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

Note 1: State Assistance Reconciliation

State Grants Revenues - Per Schedule A	\$ 1,663,982
Administration	<u>(35,407)</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 1,628,575</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule is presented using the accrual basis. See notes to the financial statements for Trinity Valley Community College's significant account policies.

The expenditures included in the schedule are reported for Trinity Valley Community College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the college for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

OTHER REPORTS

SMITH, LAMBRIGHT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Marlin R. Smith, CPA
J. W. Lambright, CPA

Cheri E. Kirkland, CPA

P. O. Box 912
505 E. Tyler
Athens, Texas 75751
(903) 675-5674
FAX (903) 675-5676
smithlambright.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Trinity Valley Community College
100 Cardinal Drive
Athens, Texas 75751

Members of the Board of Trustees:

We have audited the basic financial statements of Trinity Valley Community College as of and for the year ended August 31, 2011, and have issued our report thereon dated November 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Trinity Valley Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis.

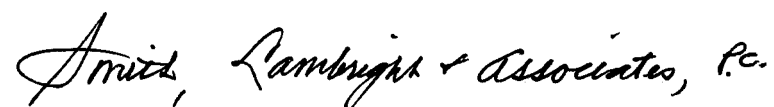
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the College's Board of Trustees, management and others within the College, Coordinating Board, and federal and state awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Smith, Lambright & Associates, P.C.".

SMITH, LAMBRIGHT & ASSOCIATES, P. C.
Certified Public Accountants

November 17, 2011

SMITH, LAMBRIGHT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Marlin R. Smith, CPA
J. W. Lambright, CPA

Cheri E. Kirkland, CPA

P. O. Box 912
505 E. Tyler
Athens, Texas 75751
(903) 675-5674
FAX (903) 675-5676
smithlambright.com

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND
STATE OF TEXAS SINGLE AUDIT CIRCULAR

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Trinity Valley Community College
100 Cardinal Drive
Athens, Texas 75751

Members of the Board of Trustees:

Compliance

We have audited Trinity Valley Community College's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2011. Trinity Valley Community College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Trinity Valley Community College's management. Our responsibility is to express an opinion on Trinity Valley Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations* and *State of Texas Single Audit Circular*. Those standards and *OMB Circular A-133* and *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Trinity Valley Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Trinity Valley Community College's compliance with those requirements.

In our opinion, Trinity Valley Community College complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2011.

Internal Control Over Compliance

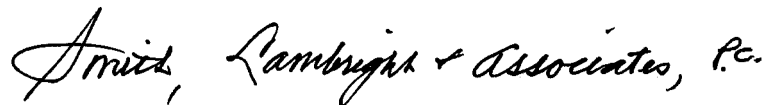
The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the College's Board of Trustees, management and others within the College, Coordinating Board, and federal and state awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

Respectfully submitted,
SMITH, LAMBRIGHT & ASSOCIATES, P. C.

A handwritten signature in cursive script that reads "Smith, Lambright & Associates, P.C." The signature is written in black ink and is positioned below the typed name of the firm.

Certified Public Accountants

November 17, 2011

TRINITY VALLEY COMMUNITY COLLEGE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:

Material weakness(es) identified? _____ Yes No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes None reported

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards and State Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 or State of Texas Single Audit Circular? _____ Yes No

Identification of major programs:

CFDA Number(s)

17.207
 84.002; 84.007; 84.032; 84.033; 84.038; 84.063; 84.268; 84.375
 84.002
 84.048
 State of Texas / THECB

Name of Federal or State Program or Cluster

Wagner Peyser: Mech. Engineering
 Student Financial Aid - Cluster
 Adult Basic Education
 Carl Perkins Vocational Education
 Texas Grant Allocation

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes _____ No

College Contact Person: Jean McSpadden, CPA
 Vice President of Administrative Services and CFO

TRINITY VALLEY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

The audit disclosed no finding required to be reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS / TEXAS AWARD FINDINGS AND QUESTIONED COSTS

The audit disclosed no finding required to be reported.

SMITH, LAMBRIGHT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Marlin R. Smith, CPA
J. W. Lambright, CPA

Cheri E. Kirkland, CPA

P. O. Box 912
505 E. Tyler
Athens, Texas 75751
(903) 675-5674
FAX (903) 675-5676
smithlambright.com

REPORT ON COMPLIANCE WITH PROVISIONS OF THE PUBLIC FUNDS INVESTMENT ACT

The Board of Trustees
Trinity Valley Community College
100 Cardinal Drive
Athens, Texas 75751

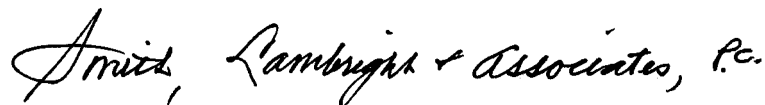
Members of the Board:

We have completed our audit of the Trinity Valley Community College for the year ended August 31, 2011. During the course of our audit, we noted that you have an investment policy which complies with the Public Funds Investment Act (Act). This compliance report is in response to the provisions of Chapter 2256.005 (m) of the Act.

We reviewed your investment policy, the monthly reports and other provisions of the policy including the types of investments you made during the year under audit. We noted no matters of noncompliance with the Act, lack of adherence to the College's investment policy, internal control weaknesses over the investment function or any other investment issues during the audit.

Please see the following schedule that is a schedule of portfolio composition as of August 31, 2011, which is part of this compliance report.

Respectfully submitted,



SMITH, LAMBRIGHT & ASSOCIATES, P. C.
Certified Public Accountants

November 17, 2011

Trinity Valley Community College
 Portfolio Composition as of August 31, 2011

Investment Type	Book Value August 31, 2011	Market Value August 31, 2011
Savings Account(s) in Financial Institutions		
Certificates of Deposit	\$ 1,000,000	\$ 1,000,000
Repurchase Agreements		
Bankers Acceptances		
Commercial Paper		
Money Market Funds	2,556,586	2,556,586
No-Load Mutual Fund		
Investment Pool (s): (1) <i>Constant Net Asset Value</i> _____ (Name of investment pool) _____ (Name of investment pool) <i>Variable Net Asset Value</i> _____ (Name of investment pool) _____ (Name of investment pool)		
U.S. Government Securities: Long-term Short-term		
U.S. Government Securities: Long-term Short-term		

(1) An investment pool with a constant net asset value (market value/book value) means that money is deposited and withdrawn at a stable price of \$1.00 per share. In a variable net asset value pool, the share price fluctuates with the market value of the pool's portfolio.

STATISTICAL SUPPLEMENTS

Trinity Valley Community College
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 to Current
 (unaudited)
 (amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 34,444	\$ 27,877	\$ 27,104	\$ 26,119	\$ 25,987	\$ 25,699	\$ 23,844	\$ 19,829	\$ 20,132	\$ 20,336
Restricted - expendable	-	242	243	238	219	168	144	165	153	192
Restricted - nonexpendable	-	690	683	681	865	804	732	653	640	593
Restricted - unexpended bond funds (net of bonded debt)	-	-	-	-	-	271	3	-	-	-
Unrestricted	6,709	12,773	12,466	12,705	10,369	8,763	8,275	10,740	9,586	8,358
Total primary government net assets	\$ 41,153	\$ 41,582	\$ 40,496	\$ 39,743	\$ 37,440	\$ 35,705	\$ 32,998	\$ 31,387	\$ 30,511	\$ 29,479

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002 forward are available.

Trinity Valley Community College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to Current
(unaudited)

For the Fiscal Year Ended August 31,
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 6,393	\$ 4,824	\$ 4,098	\$ 3,691	\$ 3,513	\$ 3,496	\$ 3,322	\$ 3,290	\$ 2,546	\$ 2,244
Governmental Grants and Contracts										
Federal Grants and Contracts	1,539	1,056	1,159	1,163	957	1,051	1,011	882	869	723
State Grants and Contracts	1,664	1,239	748	612	392	387	294	385	400	300
Local Grants and Contracts	-	-	3	1	1	17	3	27	-	-
Non-Governmental Grants and Contracts	1,900	26	8	10	10	10	71	10	278	305
Sales and services of educational activities	227	285	315	355	372	436	385	362	158	116
Auxiliary enterprises	2,604	2,835	2,627	2,317	2,276	2,337	2,094	2,157	1,930	1,612
Other Operating Revenues	338	223	197	209	161	224	182	319	280	184
Total Operating Revenues	14,665	10,488	9,155	8,358	7,682	7,958	7,362	7,432	6,461	5,484
State Appropriations	13,109	14,362	14,153	14,102	13,454	13,296	12,188	12,194	12,221	12,651
Ad Valorem Taxes	7,670	7,296	6,599	6,154	5,518	5,098	4,657	4,269	3,905	3,662
Federal Revenues, non-operating	12,859	10,759	6,670	5,343	5,150	5,801	5,653	5,284	4,169	3,174
Gifts	-	9	46	87	287	82	67	47	1	13
Investment Income	116	225	335	574	658	647	312	210	191	231
Other Non-operating revenues	28	32	-	-	-	-	-	233	29	51
Total Non-Operating Revenues	33,782	32,683	27,803	26,260	25,067	24,924	22,877	22,237	20,516	19,782
Total Revenues	\$ 48,447	\$ 43,171	\$ 36,958	\$ 34,618	\$ 32,749	\$ 32,882	\$ 30,239	\$ 29,669	\$ 26,977	\$ 25,266

For the Fiscal Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	13.20%	11.17%	11.09%	10.66%	10.73%	10.63%	10.99%	11.09%	9.44%	8.88%
Governmental Grants and Contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants and Contracts	3.18%	2.45%	3.14%	3.36%	2.92%	3.20%	3.34%	2.97%	3.22%	2.86%
State Grants and Contracts	3.43%	2.87%	2.02%	1.77%	1.20%	1.18%	0.97%	1.30%	1.48%	1.19%
Local Grants and Contracts	0.00%	0.00%	0.01%	0.00%	0.00%	0.05%	0.01%	0.09%	0.00%	0.00%
Non-Governmental Grants and Contracts	3.92%	0.06%	0.02%	0.03%	0.03%	0.03%	0.23%	0.03%	1.03%	1.21%
Sales and services of educational activities	0.47%	0.66%	0.85%	1.03%	1.14%	1.33%	1.27%	1.22%	0.59%	0.46%
Auxiliary enterprises	5.37%	6.57%	7.11%	6.69%	6.95%	7.11%	6.92%	7.27%	7.15%	6.38%
Other Operating Revenues	0.70%	0.52%	0.53%	0.60%	0.49%	0.68%	0.60%	1.08%	1.04%	0.73%
Total Operating Revenues	30.27%	24.29%	24.77%	24.14%	23.46%	24.20%	24.35%	25.05%	23.95%	21.71%
State Appropriations	27.06%	33.27%	38.29%	40.74%	41.08%	40.44%	40.31%	41.10%	45.30%	50.07%
Ad Valorem Taxes	15.83%	16.90%	17.86%	17.78%	16.85%	15.50%	15.40%	14.39%	14.48%	14.49%
Federal Revenues, non-operating	26.54%	24.92%	18.05%	15.43%	15.73%	17.64%	18.69%	17.81%	15.45%	12.56%
Gifts	0.00%	0.02%	0.12%	0.25%	0.88%	0.25%	0.22%	0.16%	0.00%	0.05%
Investment Income	0.24%	0.52%	0.91%	1.66%	2.01%	1.97%	1.03%	0.71%	0.71%	0.91%
Other Non-operating revenues	0.06%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.79%	0.11%	0.20%
Total Non-Operating Revenues	69.73%	75.71%	75.23%	75.86%	76.54%	75.80%	75.65%	74.95%	76.05%	78.29%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002 forward are available.

Trinity Valley Community College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to Current
(unaudited)

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 18,292	\$ 14,924	\$ 13,866	\$ 12,916	\$ 12,403	\$ 11,925	\$ 11,580	\$ 11,559	\$ 11,377	\$ 10,883
Research	-	-	-	-	-	-	-	-	-	-
Public Service	537	534	513	429	425	427	347	304	470	387
Academic Support	3,971	3,768	3,277	2,934	2,739	2,540	2,369	1,740	1,794	1,342
Student Services	3,383	3,226	2,967	2,804	2,773	2,700	2,502	2,393	2,278	1,881
Institutional Support	3,609	3,325	3,068	2,601	2,440	2,234	2,208	2,463	2,229	2,735
Operation and maintenance of plant	3,036	3,168	2,968	2,932	3,173	2,655	2,690	2,290	2,059	1,860
Scholarships and fellowships	8,457	6,713	3,500	2,919	2,451	2,866	2,891	2,790	2,194	1,565
Auxiliary enterprises	4,929	4,764	4,457	3,288	3,251	3,491	2,974	3,079	2,799	2,409
Depreciation	1,361	1,303	1,205	1,124	1,014	999	872	708	651	605
Total Operating Expenses	47,575	41,725	35,821	31,947	30,669	29,837	28,433	27,326	25,851	23,667
Interest on capital related debt	120	142	163	183	201	177	-	-	-	15
Payments for collection of taxes	214	205	206	172	138	153	127	-	-	-
Loss on disposal of fixed assets	36	12	15	12	6	7	67	89	93	-
Total Non-Operating Expenses	370	359	384	367	345	337	194	89	93	15
Total Expenses	\$ 47,945	\$ 42,084	\$ 36,205	\$ 32,314	\$ 31,014	\$ 30,174	\$ 28,627	\$ 27,415	\$ 25,944	\$ 23,682

For the Fiscal Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	38.15%	35.46%	38.30%	39.97%	39.99%	39.52%	40.45%	42.16%	43.85%	45.95%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public Service	1.12%	1.27%	1.42%	1.33%	1.37%	1.42%	1.21%	1.11%	1.81%	1.63%
Academic Support	8.28%	8.95%	9.05%	9.08%	8.83%	8.42%	8.28%	6.35%	6.91%	5.67%
Student Services	7.06%	7.67%	8.20%	8.68%	8.94%	8.95%	8.74%	8.73%	8.78%	7.94%
Institutional Support	7.53%	7.90%	8.47%	8.05%	7.87%	7.40%	7.71%	8.98%	8.59%	11.55%
Operation and maintenance of plant	6.33%	7.53%	8.20%	9.07%	10.23%	8.80%	9.40%	8.35%	7.94%	7.85%
Scholarships and fellowships	17.64%	15.95%	9.67%	9.03%	7.90%	9.50%	10.10%	10.18%	8.46%	6.61%
Auxiliary enterprises	10.28%	11.32%	12.31%	10.18%	10.48%	11.57%	10.39%	11.23%	10.79%	10.17%
Depreciation	2.84%	3.10%	3.33%	3.48%	3.27%	3.31%	3.05%	2.58%	2.51%	2.55%
Total Operating Expenses	99.23%	99.15%	98.94%	98.86%	98.89%	98.88%	99.32%	99.68%	99.64%	99.94%
Interest on capital related debt	0.25%	0.34%	0.45%	0.57%	0.65%	0.59%	0.00%	0.00%	0.00%	0.06%
Payments for collection of taxes	0.45%	0.49%	0.57%	0.53%	0.44%	0.51%	0.44%	0.00%	0.00%	0.00%
Loss on disposal of fixed assets	0.08%	0.03%	0.04%	0.04%	0.02%	0.02%	0.23%	0.32%	0.36%	0.00%
Total Non-Operating Expenses	0.77%	0.85%	1.06%	1.14%	1.11%	1.12%	0.68%	0.32%	0.36%	0.06%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002 and forward are available.

Trinity Valley Community College
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	General Fee	Out-of-District Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior year Out-of-District
2010	\$ 25	\$ 25	\$ 25	\$ 25	\$ 600	\$ 900	19.05%	19.05%
2009	21	21	21	21	504	756	5.00%	5.00%
2008	20	20	20	20	480	720	14.29%	9.09%
2007	20	20	15	20	420	660	0.00%	0.00%
2006	20	20	15	20	420	660	0.00%	0.00%
2005	20	20	15	20	420	660	16.67%	10.00%
2004	15	15	15	20	360	600	0.00%	0.00%
2003	15	15	15	20	360	600	20.00%	25.00%
2002	15	15	10	15	300	480	0.00%	0.00%
2001	15	15	10	15	300	480	31.58%	25.00%
2000	12	12	7	13	228	384	0.00%	0.00%

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Fee	Out-of-District Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2010	\$ 75	\$ 75	\$ 25	\$ 0	\$ 1200	\$ 1200	12.36%	12.36%
2009	68	68	21	0	1068	1068	4.71%	4.71%
2008	65	65	20	0	1020	1020	6.25%	6.25%
2007	65	65	15	0	960	960	0.00%	0.00%
2006	65	65	15	0	960	960	0.00%	0.00%
2005	65	65	15	0	960	960	6.67%	6.67%
2004	60	60	15	0	900	900	0.00%	0.00%
2003	60	60	15	0	900	900	7.14%	7.14%
2002	60	60	10	0	840	840	0.00%	0.00%
2001	60	60	10	0	840	840	4.48%	4.48%
2000	60	60	7	0	804	804	0.00%	0.00%

Trinity Valley Community College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	(Amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate			Branch Campus Maintenance Tax Rate (a)(b)
	Assessed Valuation of Property (a)	Less: Exemptions & Abatements	Taxable Assessed Value (TAV) ©		Maintenance & Operations (a)	Debt Service (a)	Total (a)	
2010-2011	14,066,018	3,495,133	10,570,885	75.15%	0.0775	0.00	0.0775	0.05000
2009-2010	13,907,662	3,433,036	10,474,626	75.32%	0.0744	0.00	0.0744	0.04730
2008-2009	12,807,881	2,625,779	10,182,102	79.50%	0.0680	0.00	0.0680	0.04400
2007-2008	11,494,838	2,011,388	9,483,450	82.50%	0.0680	0.00	0.0680	0.04400
2006-2007	10,965,711	2,038,988	8,926,723	81.41%	0.0640	0.00	0.0640	0.05000
2005-2006	10,041,633	1,917,050	8,124,583	80.91%	0.0640	0.00	0.0640	0.05000
2004-2005	9,347,838	1,771,104	7,576,734	81.05%	0.0615	0.00	0.0615	0.05000
2003-2004	9,150,024	2,070,615	7,079,409	77.37%	0.0615	0.00	0.0615	0.04850
2002-2003	8,584,960	1,992,671	6,592,289	76.79%	0.0615	0.00	0.0615	0.04410
2001-2002	7,398,997	1,385,115	6,013,882	81.28%	0.0615	0.00	0.0615	0.04550

Notes: (a) per \$100 taxable assessed value (TAV)
(b) Assessed property values for the branch campus maintenance tax area are included in the above valuation amounts.
(c) includes value of properties upon which taxes are frozen.

Trinity Valley Community College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Appropriations per FTSE (a)			Appropriations per Contact Hour				State Appropriation per Contact Hour
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Continuing Education Contact Hours	Total Contact Hours	
2010-2011	\$ 10,480,931	5,275	\$ 1,987	2,439,552	1,313,968	187,468	3,940,988	\$ 2.66
2009-2010	\$ 11,760,810	4,760	\$ 2,471	2,284,928	1,231,016	213,974	3,729,918	\$ 3.15
2008-2009	11,578,316	4,092	2,830	1,953,040	1,093,464	196,806	3,243,310	3.57
2007-2008	11,574,470	3,917	2,955	1,835,040	1,177,224	217,346	3,229,610	3.58
2006-2007	11,086,591	3,947	2,809	1,836,864	1,162,224	208,534	3,207,622	3.46
2005-2006	11,086,591	4,040	2,744	1,903,776	1,179,520	178,907	3,262,203	3.40
2004-2005	10,323,261	3,992	2,586	1,925,496	1,285,508	173,200	3,384,204	3.05
2003-2004	10,332,134	3,845	2,687	1,798,608	1,324,952	198,383	3,321,943	3.11
2002-2003	9,939,566	3,653	2,721	1,682,624	1,286,224	199,121	3,167,969	3.14
2001-2002	10,515,602	3,131	3,359	1,454,512	1,130,784	198,927	2,784,223	3.78

(a) FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

Trinity Valley Community College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxable Assessed Value (TAV) by Tax Year (amounts expressed in thousands)

Taxpayer	Business	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Hunt Oil Company	Energy/Utility	\$ 228,669	\$ 232,616	\$ 338,324	\$ 345,666	\$ 314,396	\$ 277,139	\$ 201,474	\$ 140,314	\$ 139,237	\$ 146,545
Wal-Mart Stores	Retail	174,716	171,371	128,323	162,835	144,550	106,385	99,869	129,985	152,131	114,375
Atmos Energy	Energy/Utility	102,168	106,250	107,268	121,613	106,087	100,551	-	-	-	-
Oncor Electric Delivery/TXU	Energy/Utility	97,097	111,214	98,861	107,581	111,665	32,605	80,301	78,062	79,095	-
Energy Transfer Fuel LLP	Energy/Utility	93,112	24,113	-	-	-	-	-	-	-	-
Goodyear Tire & Rubber	Manufacturing	87,433	100,136	108,233	-	70,289	54,679	65,302	61,115	59,764	67,937
United Telephone Co	Energy/Utility	59,044	79,262	58,490	64,523	57,655	57,570	53,930	51,865	41,660	45,631
XTO Energy	Energy/Utility	45,975	94,914	122,924	106,537	121,164	73,761	74,470	65,563	75,026	22,488
Palestine Principal Healthcare	Medical	33,570	35,987	25,684	33,737	26,766	-	23,808	21,862	25,722	25,647
Autozone Inc.	Retail	28,704	33,017	41,670	52,355	31,097	-	-	-	-	-
Madix Inc.	Manufacturing	21,588	24,701	30,308	30,263	25,069	27,388	25,506	-	-	-
Lowes	Retail	21,232	-	-	-	-	-	-	-	-	-
Solar Turbines Inc.	Manufacturing	20,554	34,439	28,108	25,228	26,526	22,812	-	-	18,128	-
Union Pacific Railroad	Transportation	20,283	34,443	14,106	7,526	19,900	-	19,429	-	-	-
Nucor Corp	Manufacturing	16,438	24,836	22,038	21,627	16,019	-	-	-	-	-
Total		\$ 1,050,583	\$ 1,107,299	\$ 1,124,337	\$ 1,079,491	\$ 1,071,183	\$ 752,890	\$ 644,089	\$ 548,766	\$ 590,763	\$ 422,623
Total Taxable Assessed Value		\$ 10,570,885	\$ 10,474,626	\$ 10,182,102	\$ 9,483,450	\$ 8,926,723	\$ 8,124,583	\$ 7,576,734	\$ 7,079,409	\$ 6,592,289	\$ 6,013,882

% of Taxable Assesd Value (TAV) by Tax Year

Taxpayer	Business	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Hunt Oil Company	Energy/Utility	2.16%	2.22%	3.32%	3.64%	3.52%	3.41%	2.66%	1.98%	2.11%	2.44%
Wal-Mart Stores	Retail	1.65%	1.64%	1.26%	1.72%	1.62%	1.31%	1.32%	1.84%	2.31%	1.90%
Atmos Energy	Energy/Utility	0.92%	1.06%	0.97%	1.13%	1.25%	0.40%	1.06%	1.10%	1.20%	0.00%
Oncor Electric Delivery/TXU	Energy/Utility	0.97%	1.01%	1.05%	1.28%	1.19%	1.24%	0.00%	0.00%	0.00%	0.00%
Energy Transfer Fuel LLP	Energy/Utility	0.83%	0.96%	1.06%	0.00%	0.79%	0.67%	0.86%	0.86%	0.91%	1.13%
Goodyear Tire & Rubber	Manufacturing	0.43%	0.91%	1.21%	1.12%	1.36%	0.91%	0.98%	0.93%	1.14%	0.37%
United Telephone Co	Energy/Utility	0.56%	0.76%	0.57%	0.68%	0.65%	0.71%	0.71%	0.73%	0.63%	0.76%
XTO Energy	Energy/Utility	0.32%	0.34%	0.25%	0.36%	0.30%	0.00%	0.31%	0.31%	0.39%	0.43%
Palestine Principal Healthcare	Medical	0.19%	0.33%	0.14%	0.08%	0.22%	0.00%	0.26%	0.00%	0.00%	0.00%
Autozone Inc.	Retail	0.19%	0.33%	0.28%	0.27%	0.30%	0.28%	0.00%	0.00%	0.27%	0.00%
Madix Inc.	Manufacturing	0.27%	0.32%	0.41%	0.55%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%
Lowes	Retail	0.20%	0.24%	0.30%	0.32%	0.28%	0.34%	0.34%	0.00%	0.00%	0.00%
Solar Turbines Inc.	Manufacturing	0.16%	0.24%	0.22%	0.23%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Union Pacific Railroad	Transportation	0.20%	0.24%	0.30%	0.32%	0.28%	0.34%	0.34%	0.00%	0.00%	0.00%
Nucor Corp	Manufacturing	0.88%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total		9.94%	10.81%	11.34%	11.70%	12.28%	9.60%	6.18%	5.77%	6.85%	4.59%

Source: Local County Appraisal Districts
Top 15 Taxpayers for the current year and their partial histories are shown; data prior to 2006 is incomplete.
Total TAV from supplement #5

Trinity Valley Community College
Statistical Supplement 8
Property Tax Levies and Collections
Last Nine Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy	Cumulative Levy Adjustments	Adjusted Tax Levy (a)	Collections-Year of Levy (b)	Percentage	Prior Collections of Prior Levies (c)	Current Collections of Prior Levies (d)	Total Collections (b+c+d)	Cumulative Collections of Adjusted Levy
2011	\$ 7,577	\$ (31)	\$ 7,546	\$ 7,258	96.18%	\$ -	\$ -	\$ 7,258	96.18%
2010	\$ 7,234	\$ (72)	\$ 7,162	\$ 6,849	95.63%	\$ -	\$ 166	\$ 7,015	97.95%
2009	\$ 6,604	\$ (69)	\$ 6,535	\$ 6,260	95.79%	\$ 147	\$ 46	\$ 6,453	98.75%
2008	\$ 6,079	\$ 36	\$ 6,115	\$ 5,841	95.52%	\$ 195	\$ 19	\$ 6,055	99.02%
2007	\$ 5,518	\$ (10)	\$ 5,508	\$ 5,223	94.83%	\$ 228	\$ 10	\$ 5,461	99.15%
2006	\$ 4,862	\$ 179	\$ 5,041	\$ 4,800	95.22%	\$ 200	\$ 6	\$ 5,006	99.31%
2005	\$ 4,579	\$ 9	\$ 4,588	\$ 4,363	95.10%	\$ 193	\$ 3	\$ 4,559	99.37%
2004	\$ 4,231	\$ 3	\$ 4,234	\$ 4,024	95.04%	\$ 186	\$ 1	\$ 4,211	99.46%
2003	\$ 3,882	\$ 41	\$ 3,923	\$ 3,680	93.81%	\$ 223	\$ 1	\$ 3,904	99.52%

Source: Local Tax Assessor/Collector and District records.

Note: Data unavailable for fiscal years prior to 2003.

- (a) As of August 31st of the current reporting year.
- (b) Property tax only - does not include penalties and interest.
- (c) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (d) Represents current year collections of prior years levies.

Trinity Valley Community College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31 (amounts expressed in thousands)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service										
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 2,455	\$ 3,010	\$ 3,545	\$ 4,060	\$ 4,555	\$ 5,035	\$ 5,500	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 2,455	\$ 3,010	\$ 3,545	\$ 4,060	\$ 4,555	\$ 5,035	\$ 5,500	\$ -	\$ -	\$ -
General Bonded Debt Ratios										
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of TAV*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	\$ 14.17	\$ 17.54	\$ 20.78	\$ 23.00	\$ 26.34	\$ 29.36	\$ 32.52	\$ -	\$ -	\$ -
Per FTSE	\$ 465.40	\$ 632.35	\$ 866.32	\$ 1,036.51	\$ 1,154.04	\$ 1,246.29	\$ 1,377.76	\$ -	\$ -	\$ -
As a percentage of TAV*	0.02%	0.03%	0.03%	0.04%	0.05%	0.06%	0.07%	0.00%	0.00%	0.00%

Notes:

Ratios calculated using population and TAV* from current year. Debt per student calculated using full-time equivalent student enrollment.

Per capita outstanding debt ratio for 2009 and 2008 amended from prior year report using updated population estimates from statistical supplement 12.

* Taxable Assessed Valuation

Trinity Valley Community College
 Statistical Supplement 10
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 10,570,885	\$ 10,474,626	\$ 10,182,102	\$ 9,483,450	\$ 8,926,723	\$ 8,124,583	\$ 7,575,734	\$ 7,079,409	\$ 6,592,289	\$ 6,013,882
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 52,854	\$ 52,373	\$ 50,911	\$ 47,417	\$ 44,634	\$ 40,623	\$ 37,879	\$ 35,397	\$ 32,961	\$ 30,069
General Obligation Bond Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Funds restricted for repayment of General Obligation Bonds	0	0	0	0	0	0	0	0	0	0
Total Net General Obligation Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Year Debt Service Requirements Excess of Statutory Limit for Debt Service over Current Requirements	0	0	0	0	0	0	0	0	0	0
Net Current Requirements as a % of Statutory Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

Trinity Valley Community College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

For the Year Ended August 31 (amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Pledged Revenues										
Tuition	\$ 4,172	\$ 3,282	\$ 2,700	\$ 2,588	\$ 2,516	\$ 2,559	\$ 2,198	\$ 2,218	\$ 2,014	\$ 1,733
General Fee	3,726	2,886	2,343	1,654	1,623	1,691	1,689	1,650	1,051	901
Out of District Fee	1,684	1,048	848	749	720	753	742	705	516	435
Laboratory Fee	447	426	361	342	332	338	342	335	195	168
Distance Learning Fee	188	172	128	116	111	95	79	64	-	-
Installment Plan Fee	10	9	9	38	32	35	29	29	22	21
Other Miscellaneous Fees	104	90	75	83	78	65	57	22	13	12
Residential Life	1,289	1,274	1,118	1,080	1,021	1,163	1,085	993	974	922
Bookstore	3,444	3,558	3,208	2,467	2,552	2,505	2,355	2,407	2,046	1,519
Athletics	15	18	15	32	18	39	30	27	30	23
Interest Income	115	207	309	530	602	606	291	197	172	239
Sales of Educational Activities	227	285	314	355	372	436	385	362	310	117
Other Miscellaneous Income	447	349	254	253	202	284	222	236	163	188
Total	\$ 15,868	\$ 13,604	\$ 11,682	\$ 10,287	\$ 10,179	\$ 10,569	\$ 9,504	\$ 9,245	\$ 7,506	\$ 6,278
Debt Service Requirements										
Principal	\$ 555	\$ 535	\$ 515	\$ 495	\$ 480	\$ 465	\$ -	\$ -	\$ -	\$ 40
Interest	120	142	162	183	201	177	-	-	-	2
Total	\$ 675	\$ 677	\$ 677	\$ 678	\$ 681	\$ 642	\$ -	\$ -	\$ -	\$ 42
Coverage Ratio	23.51	20.09	17.26	15.17	14.95	16.46				149.48

Trinity Valley Community College
 Statistical Supplement 12
 Demographic and Economic Statistics - Taxing District
 Last Ten Fiscal Years
 (unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2010	173201	(a)	(a)	8.8%
2009	171655	\$ 4,886,835	\$ 30,975	8.1%
2008	170605	\$ 4,965,484	\$ 29,105	5.4%
2007	176507	\$ 4,839,512	\$ 27,418	4.6%
2006	172907	\$ 4,652,960	\$ 26,910	5.2%
2005	171467	\$ 4,260,217	\$ 24,846	5.5%
2004	169118	\$ 4,081,718	\$ 24,135	6.4%
2003	164592	\$ 3,837,048	\$ 23,312	7.1%
2002	158996	\$ 3,727,477	\$ 23,444	6.8%
2001	155485	\$ 3,651,657	\$ 23,486	5.0%

Source: Texas Workforce Commission TRACER

(a) Data for 2010 not yet available

Trinity Valley Community College
Statistical Supplement 13
Principal Employers
Last Ten Years
(unaudited)

Employer	2010		2009		2008		2007		2006		2005 (a)	
	No. of Employees	% of Total Employment (b)	No. of Employees	% of Total Employment (b)	No. of Employees	% of Total Employment (b)	No. of Employees	% of Total Employment (b)	No. of Employees	% of Total Employment (b)	No. of Employees	% of Total Employment (b)
1 Texas Department of Criminal Justice Michael, Coffield, Beto & Gurney Units) Anderson County	2700	2.17%	3395	2.15%	(d)	(d)	(d)	(d)	(d)	(d)	(d)	(d)
2 Wal-Mart Distribution Center - Palestine, Texas ©	1964	1.58%	1909	1.20%	1,900	1.19%	1,550	0.97%	900	0.57%	900	0.58%
3 Forney ISD School District-Forney,Texas	1150	0.93%										
4 Terrell State Hospital - Terrell, Texas	791	0.64%	791	0.50%	928	0.58%	900	0.58%	790	0.50%	791	0.51%
Texas Dept.Criminal Justice Dept. - Coffield Unit Tennessee Colony, TX (See Combined Totals Line 1)	(d)	(d)	(d)	(d)	803	0.50%	818	0.54%	838	0.53%	875	0.57%
5 Madix Inc. - Terrell, Texas	800	0.64%	800	0.51%	576	0.36%	1,256	0.79%	630	0.40%	800	0.52%
Texas Dept.Criminal Justice Dept. - Michael Unit Tennessee Colony, TX (See Combined Totals Line 1)	(d)	(d)	(d)	(d)	788	0.49%	748	0.51%	815	0.51%	1,190	0.77%
5 Oldcastle Building Envelope (reported as Vistawall Architectural Texas Dept.Criminal Justice Dept. - Beto Unit Tennessee Colony, TX (See Combined Totals Line 1)	(d)	(d)	(d)	(d)	566	0.36%	647	0.44%	701	0.44%	712	0.46%
6 Palestine Regional Medical CTR - Palestine Texas	580	0.47%	615	0.39%	615	0.39%	600	0.99%	601	0.38%	525	0.34%
7 Terrell ISD	615	0.50%	615	0.39%								
8 East Texas Medical Center - Athens, Texas	610	0.49%	610	0.39%	650	0.41%	650	0.44%	650	0.41%	625	0.40%
9 Kaufman ISD	545	0.44%	545	0.35%								
10 Capgemini Energy - Palestine, TX	525	0.42%	525	0.33%								
Argon Medical Devices - Athens, Texas	304	0.24%		0.00%	307	0.19%	360	0.61%	371	0.23%	322	0.21%
Total	11,184	9.00%	10,405	6.53%	7,693	4.83%	8,329	5.22%	7,096	4.46%	7,640	4.93%

Source:

<http://oncor.com/community/econdev/commpro/default.aspx>

Labor Force Supporting Documentation - LaborForceDoc-Sheet2

Note:

(a) Data not available prior to 2005.

(b) Percentages are calculated by dividing the number of employees into the estimated total employment in taxing district.

(c) Data prior to 2008 did not include Wal-mart Distribution Center 6005 & 6036.

(d) Texas Department of Criminal Justice units reported separately in years prior to 2009.

Trinity Valley Community College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Faculty										
Full-Time	157	154	138	134	131	123	120	123	122	118
Part-Time	96	99	115	122	114	134	103	140	140	114
Total	253	253	253	256	245	257	223	263	262	232
Percent										
Full-Time	62.1%	60.9%	54.5%	52.3%	53.5%	47.9%	53.8%	46.8%	46.6%	50.9%
Part-Time	37.9%	39.1%	45.5%	47.7%	46.5%	52.1%	46.2%	53.2%	53.4%	49.1%
Staff and Administrators										
Full-Time (b)	202	200	190	170	164	162	156	157	153	153
Part-Time	25	27	23	27	25	42	25	25	23	23
Total	227	227	213	197	189	204	181	182	176	176
Percent										
Full-Time	89.0%	88.1%	89.2%	86.3%	86.8%	79.4%	86.2%	86.3%	86.9%	86.9%
Part-Time	11.0%	11.9%	10.8%	13.7%	13.2%	20.6%	13.8%	13.7%	13.1%	13.1%
FTSE per Full-Time Faculty (a)	33.6	30.9	29.7	29.2	30.1	37.7	38.9	38.5	37.0	31.4
FTSE per Full-Time Staff Member (a)	26.1	23.8	21.5	23.0	24.1	2.4	29.9	30.2	29.5	24.3
FTSE per Total Faculty (a)	20.8	18.8	16.2	15.3	16.1	18.1	20.9	18.0	17.2	16.0
FTSE per Total Staff Member (a)	23.2	21.0	19.2	19.9	20.9	22.7	25.8	26.0	25.7	21.1
Average Annual Faculty Salary	\$ 54,317	\$54,899	\$49,875	\$47,670	\$ 48,071	\$ 46,667	\$ 44,500	\$ 42,972	\$ 42,792	\$ 42,187

(a) FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(b) error in 2009 full-time staff number corrected from prior year report.

Trinity Valley Community College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 Hours	5,746	73.58%	5,058	74.42%	4,162	71.33%	4,149	71.19%	3,963	70.65%
31-60 Hours	1,665	21.32%	1,369	20.14%	1,367	23.43%	1,331	22.84%	1,344	23.96%
> 60 Hours	142	1.82%	124	1.82%	110	1.89%	134	2.30%	128	2.28%
Unclassified (a)	256	3.28%	246	3.62%	196	3.36%	214	3.67%	174	3.10%
Total	<u>7,809</u>	<u>100.00%</u>	<u>6,797</u>	<u>100.00%</u>	<u>5,835</u>	<u>100.00%</u>	<u>5,828</u>	<u>100.00%</u>	<u>5,609</u>	<u>100.00%</u>

(a) Unclassified students were not able to be placed in the categories based upon semester credit hours earned, and are reported separately.

Semester Hour Load	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less Than 3	10	0.13%	3	0.04%	21	0.36%	21	0.36%	9	0.16%
3-5 semester hours	1,659	21.24%	1,344	19.77%	1,167	20.00%	1,129	19.37%	1,187	21.16%
6-8 semester hours	2,126	27.22%	1,871	27.53%	1,541	26.41%	1,715	29.43%	1,380	24.60%
9-11 semester hours	971	12.43%	898	13.21%	772	13.23%	732	12.56%	705	12.57%
12-14 semester hours	2,077	26.60%	1,847	27.17%	1,540	26.39%	1,473	25.27%	1,570	27.99%
15-17 semester hours	653	8.36%	582	8.56%	591	10.13%	558	9.57%	524	9.34%
18 & over	313	4.01%	252	3.71%	203	3.48%	200	3.43%	234	4.17%
Total	<u>7,809</u>	<u>100.00%</u>	<u>6,797</u>	<u>100.00%</u>	<u>5,835</u>	<u>100.00%</u>	<u>5,828</u>	<u>100.00%</u>	<u>5,609</u>	<u>100.00%</u>
Average Course Load	9.9		9.9		9.9		9.9		9.9	

Tuition Status	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in District)	5,002	64.05%	4,528	66.62%	3,778	64.75%	3,658	62.77%	3,611	64.38%
Texas Resident (Out of District)	2,736	35.04%	2,202	32.40%	2,005	34.36%	2,115	36.29%	1,948	34.73%
Non-Texas Resident	71	0.91%	67	0.99%	52	0.89%	55	0.94%	50	0.89%
Total	<u>7,809</u>	<u>100.00%</u>	<u>6,797</u>	<u>100.00%</u>	<u>5,835</u>	<u>100.00%</u>	<u>5,828</u>	<u>100.00%</u>	<u>5,609</u>	<u>100.00%</u>

SS15 – Enrollment Details

This schedule is required by GASB 44, paragraphs 33 & 37. Data should match the CBM01 and CBM0A reports. Fall enrollment should be matched to Quarter 1 enrollment.

Trinity Valley Community College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	3,132	40.11%	2,744	40.37%	2,292	39.28%	2,444	41.94%	2,255	40.20%
Female	4,677	59.89%	4,053	59.63%	3,543	60.72%	3,384	58.06%	3,354	59.80%
Total	7,809	100.00%	6,797	100.00%	5,835	100.00%	5,828	100.00%	5,609	100.00%

Ethnic Origin	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	5,633	72.13%	5,231	76.96%	4,570	78.32%	4,447	79.91%	4,492	80.09%
Hispanic	921	11.79%	715	10.52%	559	9.58%	451	8.10%	419	7.47%
African American	998	12.78%	773	11.37%	651	11.16%	623	11.19%	658	11.73%
Asian	50	0.64%	29	0.43%	15	0.26%	9	0.16%	10	0.18%
Foreign	34	0.44%	34	0.50%	24	0.41%	12	0.22%	22	0.39%
Native American	55	0.70%	15	0.22%	6	0.10%	23	0.41%	8	0.14%
Other	95	1.22%	0	0.00%	10	0.17%	0	0.00%	0	0.00%
Unknown	23	0.29%								
Total	7,809	100.00%	6,797	100.00%	5,835	100.00%	5,565	100.00%	5,609	100.00%

Age	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,316	16.12%	1,096	16.12%	744	12.75%	917	15.73%	647	11.54%
18-21	2,656	37.72%	2,564	37.72%	2,310	39.59%	2,005	34.40%	2,115	37.71%
22-24	780	9.45%	642	9.45%	544	9.32%	545	9.35%	575	10.25%
25-35	1,784	20.80%	1,414	20.80%	1,288	22.07%	1,336	22.92%	1,272	22.68%
36-50	1,044	13.46%	915	13.46%	789	13.52%	868	14.89%	834	14.87%
51 & over	229	2.44%	166	2.44%	160	2.74%	157	2.69%	166	2.96%
Total	7,809	100.00%	6,797	100.00%	5,835	100.00%	5,828	100.00%	5,609	100.00%

Average Age 26 27 0 26 26

Source: CBM 001 without flex

Trinity Valley Community College
 Statistical Supplement 17
 Transfers to Senior Institutions
 2009-2010 Graduates, Completers and Non-Returners Fall Students as of Fall 2010
 (includes only public senior colleges in Texas)

Rank	Institution	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Transfer Students	% of all Transfer Students
1	The University of Texas at Tyler	182	16	9	207	21%
2	Texas A&M University - Commerce	125		15	140	15%
3	Texas A&M University	92		5	97	10%
4	Stephen F. Austin State University	77	2	4	83	9%
5	University of North Texas	71	1		72	7%
6	The University of Texas at Arlington	50	12	5	67	7%
7	Texas State University - San Marcos	46	1	1	48	5%
8	Texas Tech University	36		2	38	4%
9	The University of Texas at Austin	32		2	34	4%
10	Tarleton State University	31	2	2	35	4%
11	Sam Houston State University	20	1	2	23	2%
12	The University of Texas at Dallas	17	1	2	20	2%
13	University of North Texas at Dallas	2	2	7	11	1%
14	Texas A&M University - Corpus Christi	14			14	1%
15	Texas Woman's University	13	5		18	2%
16	University of Houston	7			7	1%
17	Midwestern State University	5	1	1	7	1%
18	The University of Texas at San Antonio	5			5	1%
19	Angelo State University	4		1	5	1%
20	Texas A&M University - Kingsville	3			3	0%
21	Texas Southern University	3			3	0%
22	West Texas A&M University	3			3	0%
23	Texas Tech University Health Sciences Center	3	2		5	1%
24	Prairie View A&M University	2			2	0%
25	Sul Ross State University	2			2	0%
26	Texas A&M University at Galveston	2			2	0%
27	The University of Texas of the Permian Basin	2			2	0%
28	The University of Texas Health Science Center at Houston	2			2	0%
29	Lamar University	1		1	2	0%
30	Texas A&M International University	1			1	0%
31	The University of Texas - Pan American	1			1	0%
32	The University of Texas at Brownsville	1			1	0%
33	The University of Texas at El Paso	1			1	0%
34	University of Houston - Downtown	1			1	0%
35	The University of Texas Medical Branch at Galveston	1	1		2	0%
TOTAL		858	47	59	964	100%

Source: Texas Higher Education Coordinating Board Automated Student and Adult Learner Follow-Up System, Students Pursuing Additional Education by Institution 2009-2010 Graduates, Completers and Non-Returners. <http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/inst.cfm>

Jim Pinkard, Program Director, Finance/Resource Planning, THECB, 512-427-6137, Jim.Pinkard@THECB.state.tx.us

Trinity Valley Community College
Statistical Supplement 18
Capital Asset Information
Last Five Fiscal Years

	Fiscal Year-ended August 31,				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Academic Buildings	17	17	17	17	17
Square Footage (in thousands) *	270	270	270	270	270
Libraries	2	2	2	2	2
Square Footage (in thousands)	78	78	78	78	78
Number of Volumes (in thousands)	61	62	62	62	62
Administrative and support buildings	3	3	3	3	3
Square Footage (in thousands)	75	75	75	75	75
Dormitories	5	5	5	5	5
Square Footage (in thousands)	80	80	80	80	80
Number of Beds	356	356	356	356	356
Dining Facilities	1	1	1	1	1
Square Footage (in thousands)	16	16	16	16	16
Average daily customers	622	564	519	402	371
Athletic Facilities	2	2	2	2	2
Square Footage (in thousands)	43	43	43	43	43
Gymnasiums	1	1	1	1	1
Plant Facilities	4	4	4	3	2
Square Footage (in thousands)	20	20	20	18	18
Transportation					
Cars	20	20	19	18	18
Light Trucks/Vans	24	23	21	20	20
Buses	2	2	1	0	0